RENEWABLE ENERGY PROGRAM

CALIFORNIA ENERGY COMMISSION

RENEWABLES PORTFOLIO STANDARD ELIGIBILITY

SECOND EDITION

GUIDEBOOK – STAFF DRAFT

DECEMBER 2006
CEC-300-2006-007ED2SD

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This guidebook was formally adopted by the Energy Commission on April 21, 2004, pursuant to Public Utilities Code Section (PUC) 383.5, Subdivision (h), and subsequently revised pursuant to this authority and Public Resources Code Section 25747, Subdivision (a), on May 19, 2004, August 11, 2004, May 21, 2005, and April 26, 2006.

The requirements in this guidebook are based on applicable law, the *Renewables Portfolio Standard Decision on Phase 1 Implementation Issues* (publication number 500-03-023F), the *Renewables Portfolio Standard Decision on Phase 2 Implementation Issues* (publication number 500-03-049F), staff analysis, advice from the Energy Commission's technical support contractor, and public input.

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I. Introduction

~~On April 21, 2004, the California Energy Commission (Energy Commission) adopted this *Renewable Portfolio Standard Eligibility Guidebook (Guidebook)*, pursuant to Senate Bill 1038 (Sher) Chapter 515, Statutes of 2002, Senate Bill 1078 (Sher) Chapter 516, Statutes of 2002, Senate Bill 67 (Bowen), Chapter 731, Statutes of 2003, and Senate Bill 183 (Sher)Chapter 666, Statutes of 2003. The pertinent provisions of these laws are codified in Public Utilities Code Sections 381 and 399.11 through 399.16, and Public Resources Code (PRC) Sections 25740 through 25751.[1]~~

The California Energy Commission (Energy Commission) developed this *Guidebook* to implement and administer its responsibilities under California's Renewables Portfolio Standard (RPS) pursuant to Senate Bill 1038,[2] Senate Bill 1078,[3] Senate Bill 1250,[4] and Senate Bill 107.[5] These laws require retail sellers of electricity to increase the amount of renewable energy they procure each year by at least 1 percent until 20 percent of their retail sales are served with renewable energy by December 31, 2010. Under these laws, the Energy Commission is required to certify eligible renewable energy resources that may be used by retail sellers of electricity to satisfy their RPS procurement requirements, develop an accounting system to verify a retail seller's compliance with the RPS, and award supplemental energy payments (SEPs) to cover the above market cost of procuring eligible renewable energy resources.

This *Guidebook* describes the requirements and process for certifying eligible renewable energy resources for the RPS and SEPs. This *Guidebook* also describes how the Energy Commission will track and verify compliance with the RPS using an interim generation tracking process.

This *Guidebook* establishes efficient and effective processes to encourage participation in California's RPS and assure program credibility to benefit stakeholders, regulators, and consumers. Although this *Guidebook* addresses the Energy Commission's role in implementing the RPS, the Energy Commission recognizes that the California Public Utilities Commission (CPUC) also has a key RPS implementation role.

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[1] ~~The pertinent provisions of SB 1038 were formerly codified in Public Utilities Code sections 383.5 and 445, but are now codified in Public Resources Code sections 25740 through 25751 as a result of SB 183.~~

[2] SB 1038; Chapter 515, Statutes of 2002. The pertinent provisions of SB 1038 were formerly codified in Public Utilities Code Sections 383.5 and 445, but are now codified in Public Resources Code Sections 25740 through 25751 as a result of Senate Bill 183 (Chapter 666, Statutes of 2003).

[3] SB 1078; Chapter 516, Statutes of 2002. The pertinent provisions of SB 1078 are codified in Public Utilities Code Section 399.11 through 399.15. This law was subsequently amended to add Sections 399.16 and 399.17 pursuant to Senate Bill 67 (Chapter 731, Statutes of 2003) and Assembly Bill 200 (Chapter 5, Statutes of 2005), respectively.

[4] SB 1250; Chapter 512, Statutes of 2006. SB 1250 amends pertinent provisions in Public Resources Code Sections 25740 through 25751.

[5] SB 107; Chapter 464, Statutes of 2006. SB 107 amends pertinent provisions in Public Resources Code Sections 25740 through 25751 and Public Utilities Code Sections 399.11 through 399.16.

~~SB 1078 establishes the RPS in California and sets a goal for California retail electric sellers to increase their sales of renewable electricity by at least 1 percent per year, until 20 percent of electricity retail sales will be served with renewable resources by 2017. Pursuant to the *Energy Action Plan*, *2003 Integrated Energy Policy Report*, the *2004 Integrated Energy Policy Report Update*, and the *2005 Integrated Energy Policy Report*, the state's energy agencies are working to accelerate the RPS to achieve the 20 percent target by 2010.~~

The enabling legislation~~law also~~ established~~s~~ specific roles for the Energy Commission and the CPUC and directs the two agencies to work together to implement the RPS. Although the law assigns lead roles for specific implementation efforts to each agency, the roles of the two agencies are interrelated. The Energy Commission is responsible for certifying eligible renewable resources and tracking the procurement of such resources to ensure compliance with the RPS. The CPUC is responsible for establishing targets for the amount of eligible renewable energy resources that retail sellers of electricity must procure to comply with the RPS and verifies compliance with the requirements. Retail sellers include ~~the~~ investor-owned utilities (IOUs), Electric Service Providers (ESPs), and Community Choice Aggregators (CCAs). ~~must procure to comply with the RPS and for verifying that the IOUs comply with the requirements.~~

In February 2003, the CPUC issued a ruling formalizing collaboration on RPS issues, and in March 2003 the Energy Commission adopted a reciprocal agreement. The Energy Commission subsequently developed this *Guidebook* collaboratively with the CPUC.

While this *Guidebook* reflects current requirements, the Energy Commission recognizes that it may need to periodically revise program guidelines to reflect market and regulatory developments as well as incorporate the lessons learned from experience implementing the RPS.

A. Related Reports

This *Guidebook* is one of several guidebooks the Energy Commission has adopted to implement and administer the various program elements of its Renewable Energy Program. The Energy Commission's *Overall Program Guidebook for the Renewable Energy Program (Overall Program Guidebook)* describes how the Renewable Energy Program will be administered and includes information and ~~on~~ requirements that apply overall to the Renewable Energy Program and the ~~all~~ program elements. To qualify for certification as a renewable energy resource eligible for RPS and SEPs, an applicant must satisfy the requirements specified in this *Renewables Portfolio Standard Eligibility Guidebook* and the *Overall Program Guidebook*.

To receive SEPs, applicants must also satisfy the requirements specified in the Energy Commission's *New Renewable Facilities Program Guidebook*. Parties interested in receiving SEPs may refer to the *New Renewable Facilities Program Guidebook* for

information on how to apply for and receive SEPs. Please note that the Energy Commission also provides production incentive payments to eligible existing renewable resources that are not eligible for SEPs but may be eligible for the RPS. For more information, refer to the *Existing Renewable Facilities Program Guidebook*.

For general information on the process of creating, appealing, and implementing RPS guidelines, please refer to the *Overall Program Guidebook*. Program guidebooks are available online at the Energy Commission's Web site at <www.energy.ca.gov>.

B. Outstanding Issues

~~This *Guidebook* addresses only RPS certification and verification requirements as they apply to Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Edison Company (SCE), PacifiCorp and Sierra Pacific Power. It does not address these requirements as they apply to Electric Service Providers (ESPs) or Community Choice Aggregators (CCAs). The Energy Commission intends to collaborate with the CPUC to address RPS requirements for ESPs and CCAs.~~

There are several ongoing issues that could affect these guidelines. The Energy Commission will continue to address these issues collaboratively with the CPUC:

- Renewable Energy Credits/Certificates (RECs) trading:

  RECs represent renewable and environmental attributes associated with energy production. Public Utilities Code Section 399.12, Subdivision (g)(1), defines a REC for California RPS purposes to mean a certificate of proof, issued through the accounting system established by the Energy Commission pursuant to Public Utilities Code Section 399.13, that one unit of electricity was generated and delivered by an eligible renewable energy resource.

  Section 399.12, Subdivision (g)(2), specifies that a REC includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and any credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels.

  In addition, Section 399.12, Subdivision (g)(3), specifies that no electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a de minimus quantity as determined by the Energy Commission, shall result in the creation of a REC.

  RECs and energy procured together as a "bundled" commodity are eligible for the California RPS. RECs sold separately from energy are termed "tradable" or

"unbundled" in this Guidebook and are not currently eligible towards California RPS procurement requirements.

The law as amended by Senate Bill 107, however, authorizes the use of tradable RECs associated with energy produced from RPS-eligible resources to qualify towards RPS procurement requirements once certain conditions have been met. Tradable RECs may be allowed for RPS compliance after the CPUC and Energy Commission conclude that the Western Renewable Energy Generation Information System (WREGIS) is operational, capable of independently verifying delivery of renewable energy to a retail seller, and can assure that RECs are not double counted by any seller within the Western Electricity Coordinating Council.

Also, the CPUC may limit the amount of tradable RECs that a retail seller may procure to satisfy its RPS-requirements. The CPUC is addressing RECs and other RPS-implementation issues in its Rulemaking 06-05-027 and Rulemaking 06-02-012, and subsequent RPS Rulemakings.

A preliminary discussion of eligibility requirements and tracking requirements for tradable RECs is provided in this Guidebook in anticipation of their possible use for purposes of California RPS compliance.~~RECs generally represent the non-energy attributes associated with energy production. The CPUC adopted an initial definition for RECs as part of its decision outlining RPS standard contract terms and conditions. For more information, please refer to Decision 04-06-014, *Opinion Adopting Standard Contract Terms and Conditions,* dated June 9, 2004, Rulemaking 04-04-026. Consistent with CPUC Decision 03-06-071 (June 19, 2003), generation currently must be bundled with the associated RECs to qualify for the RPS. Any action by the Energy Commission and CPUC to allow RPS eligibility for RECs that are traded separately from energy would require further deliberations and public input.~~

~~RECs associated with electricity generation should be transferred to the utility when the utility procures the RECs and electricity. A REC procured by a utility and counted toward the utility's RPS obligation should be retired and not allowed to be resold.~~

- Determining how customer-side renewable distributed generation resources fit into the RPS:

The law includes solar energy as an eligible resource for the RPS. ~~,~~ The CPUC Rulemaking 06-03-004 has been addressing if and how output from renewable DG may be counted towards utility RPS obligations. The CPUC issued a draft decision on December 6, 2006 that would allow DG system owners to retain 100 percent of the RECs associated with the DG energy produced. Similarly, the Energy Commission does not require participants of its New Solar Homes Program to relinquish their claims of renewable energy credits, or to transfer ownership of any such credits to the Energy Commission or any other entity, as a condition of receiving New Solar Homes Program funding.~~but several issues need to be clarified to determine how best to include distributed photovoltaic resources, as well as other~~

~~forms of customer-side renewable distributed generation.~~ This *Guidebook* describes these issues in the section on eligibility requirements.

- Defining fuel specific issues:

  The Energy Commission anticipates that new issues may arise that will need to be addressed as implementation continues~~begins~~. The Energy Commission recognizes that some parties may be interested in using hydrogen fuel to generate electricity but recommends deferring the development of implementation guidelines for such facilities. The Energy Commission recommends, however, that only eligible RPS fuel stock may be used to produce hydrogen for use at an RPS-eligible facility.

- Hybrid technologies:

  For new and repowered facilities not certified as Qualifying Small Power Production Facilities (QFs) under the federal Public Utilities Regulatory Policies Act that operate on co-fired fuels or a mix of fuels that includes fossil fuel, the Energy Commission will allow the renewable portion of the electricity production to qualify for the RPS once an appropriate tracking system for such electricity production is developed. A tracking system for biogas injected into a gas transmission pipeline is proposed in the December 2006 draft version of this guidebook. The Energy Commission anticipates that the WREGIS will account for generation from gas injected into the pipeline transmission system and for other hybrid technologies. Once WREGIS is operational, RECs will only be issued for electricity production from renewable fuels, with the exception that RECs may include electricity produced from a *de minimus* amount of fossil fuel.

  Once WREGIS is operational, the Energy Commission may issue RECs for QFs only in specific circumstances as described in the "hybrid technology" section of this guidebook. For a QF not eligible for RECs, the Energy Commission maintains the following allowance: Facilities that were operational before 2002 or that were or will be developed and awarded power purchase contracts as result of an Interim RPS solicitation approved by the CPUC pursuant to Decision 02-08-071 and Decision 02-10-062 may use up to 25 percent fossil fuel annually (on a total energy input basis) and count all the electricity generated as renewable. If a facility is a Qualifying Small Power Production Facility not eligible for RECs, then all of the electricity production can qualify for the RPS.

C. Guidebook Organization

This *Guidebook* is organized as follows:

1. Introduction
2. Eligibility Requirements
3. Certification Process

4. Generation Tracking System
5. Publicly Owned Utilities
~~5.~~Appendix A. Forms
~~6.~~Appendix B. List of Acronyms
~~7.~~Appendix C. Summary Table of Reporting Requirements

Section 2 covers eligibility requirements for generators interested in producing electricity that can be procured by retail sellers to comply with the RPS. For the purposes of this *Guidebook*, "retail sellers" refers to California's three largest IOUs~~,~~ (Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E).~~; and~~ to PacifiCorp and Sierra Pacific Power (electrical corporations with 60,000 or fewer customer accounts in California that also serve retail end-use customers outside California pursuant to Public Utilities Code 399.17), and to ESPs and CCAs. ~~These particular retail sellers are also referred to as "electrical corporations" as defined in the glossary in the *Overall Program Guidebook*.~~

Section 2 also addresses eligibility requirements for generators interested in producing electricity that can be procured to comply with the RPS and that is eligible to receive SEPs.

Section 3 discusses the Energy Commission's certification process, including the following:

- Pre-certification application process for developers of renewable facilities that are not ~~yet~~ online but who are seeking a preliminary determination that their facility will be eligible for the RPS or SEPs.

- Certification application process for generators with renewable facilities that are online who are interested in serving energy to meet an RPS obligation or to serve energy that is eligible for SEPs.

- Application process to renew certification and pre-certification status at least every two years.

- Process to amend certification or pre-certification.~~Registration application process for facilities whose owners are interested in registering with the Energy Commission that they are a renewable generator but are not eligible for the RPS or for SEPs.~~

Section 4 discusses the data submission requirements for a generation tracking system that will be used to verify retail sellers' compliance with the RPS and to verify that generation is counted only once in California or any other state.

Section 5 addresses participation of local publicly owned electric utilities in the RPS.

II. Eligibility Requirements

This section describes eligibility requirements for the RPS, for SEPs, and for out-of-state facilities that seek RPS or SEP eligibility. In general, a facility is eligible if it uses an eligible renewable resource or fuel, satisfies resource-specific criteria, and is either located within the state or satisfies applicable requirements for out-of-state facilities. ~~If a retail seller owns a renewable facility, the facility may be RPS-eligible, but is not eligible for SEPs.~~

A. Renewable Portfolio Standard (RPS) Targets

The CPUC sets annual procurement targets (APTs) for the amount of RPS-eligible energy each retail seller must procure. Public Utilities Code Section 399.15, Subdivision (b)(1), requires the retail sellers to annually increase their renewable procurement by at least 1 percent of retail sales per year ~~to serve~~so that 20 percent of their retail sales ~~with RPS-eligible energy~~is procured from RPS-eligible resources not later than December 31, 2010. The CPUC sets an "incremental procurement target" (IPT) for this 1 percent or greater annual increase and sets the APT for total annual RPS-eligible procurement requirements. The first year in which PG&E, SCE, and SDG&E were subject to an APT and IPT was 2004.[6] The first year energy service providers were subject to an APT was 2006.[7]
~~needed to meet the 20 percent goal. Procurement eligible towards the APT includes "baseline" procurement and "incremental" procurement as defined by the CPUC.~~

CPUC Decision 06-10-050 (Rulemaking 06-05-027) determined that "any RPS-eligible procurement may be used to satisfy any portion of the APT." Further, any RPS-eligible procurement may be used to satisfy the IPT.[8] When a retail seller procures energy and the associated RECs from a facility that is eligible for the RPS (or eligible for the RPS and SEPs), then the procurement may count towards the retail seller's APT, including its IPT, assuming the transaction meets applicable delivery requirements and other eligibility criteria.[9] The Energy Commission verifies RPS procurement, and the CPUC

[6] CPUC Decision 06-10-050, Rulemaking 06-05-027, *Opinion on Reporting and Compliance Methodology for Renewables Portfolio Standard Program*, October 19, 2006.
[7] Public Utilities Code Section 399.12, Subdivision (h)(3). The CPUC is setting procurement targets for ESPs, CCAs, and multi-jurisdictional utilities. The CPUC defined targets for these entities in the *Interim Opinion*, Decision 06-10-019, Rulemaking 06-02-012, October 5, 2006 which may be further refined in Rulemaking 06-02-012 and Rulemaking 06-05-027 and subsequent CPUC rulemakings.
[8] The CPUC is refining its definitions and compliance rules through Rulemaking 06-02-012 and R.06-05-027 ~~04-06-026 and its successor~~.
[9] Pursuant to Public Utilities Code Section 399.16, subdivision (a)(5) and (a)(6), RECs shall not be created for electricity generated under contract with a retail seller or a local publicly owned electric utility executed before January 1, 2005, unless the contract contains explicit terms and conditions specifying the ownership or disposition of those credits, and shall not be created for contracts with QFs under the Federal Public Utility Regulatory Policies Act executed after January 1, 2005. Deliveries under those contracts shall be tracked through WREGIS and automatically retired as counting towards the retail seller's baseline. This is discussed in the section on "Eligibility of Tradable RECs."

determines whether or not a retail seller is in compliance with its procurement targets, consistent with CPUC rules for flexible compliance.[10]

~~In accounting for RPS-eligible procurement, it is necessary to categorize specific purchases as incremental procurement or baseline procurement as discussed in the section on *Generation Tracking System*. To determine if procurement is baseline or may qualify towards the IPT depends on statutory restrictions and implementation of CPUC compliance rules.~~

~~1.Static information: The characteristics of the renewable energy facility determine if it may be accounted for as incremental procurement or if it is restricted to baseline and adjusting the baseline. The following resources are restricted by statute to count only towards baseline or adjusting the baseline; generation cannot count towards the incremental procurement target:~~

~~a)Geothermal facilities that began commercial operations before September 26, 1996.~~

~~b)Small hydroelectric facilities that began commercial operations before September 12, 2002 and were owned, or whose generation was procured, by a utility as of this date.~~

~~c)Eligible municipal solid waste combustion facilities located in Stanislaus County that began commercial operations before September 26, 1996.~~

~~2.Dynamic information: The amount of time the retail seller has been procuring energy from the RPS-eligible facility may be the determining factor in accounting for procurement as baseline or incremental, as defined by CPUC compliance rules.~~

The Energy Commission's RPS certification identifies if a facility is RPS-eligible, or RPS and SEP-eligible. The Energy Commission's methodology to account for and verify RPS-eligible procurement is discussed in this guidebook under *Generation Tracking System*.~~In the event that the generation from a facility is statutorily restricted to baseline, the Energy Commission will note this on the facility's RPS-certification notice.~~

B. Eligibility for the RPS ~~Renewables Portfolio Standard~~

The Energy Commission has determined that it is appropriate to define eligible renewable energy resources by renewable resource or fuel, rather than by the specific technology used. For certain eligible renewable energy resources, however, the law contains specific requirements, and the Energy Commission must consider both the resource or fuel and the technology to determine RPS eligibility.

[10] Public Utilities Code section 399.14 (a)(2)(C).

To qualify as eligible for California's RPS, a generation facility must use one or more of the following renewable resources or fuels (see the *Overall Program Guidebook* for full definitions):

- Biomass
- Biodiesel
- Fuel cells using renewable fuels
- Digester gas
- Geothermal
- Landfill gas
- Municipal solid waste
- Ocean wave, ocean thermal, and tidal current
- Photovoltaic
- Small hydroelectric (30 megawatts or less)
- Solar thermal
- Wind

Table 1 on the following page summarizes the requirements for a facility to qualify for the RPS and be eligible for SEPs. The table does not reflect any additional requirements that may apply to facilities located out-of-state.

Please note that, in some cases, the criteria for RPS-eligibility depends on the date that a facility begins commercial operations. If a facility shuts down and later recommences operations, it is subject to the eligibility requirements that apply to the original operation date. If a facility is repowered as provided in this *Guidebook*, its commercial operation date corresponds to its repowering date, and the facility may then qualify for SEPs as provided in the New Renewable Facilities Program Guidebook.

Facilities using biodiesel, biomass, hydropower, or municipal solid waste (MSW) are subject to the additional resource or fuel-specific requirements described below. Also addressed below are requirements for photovoltaic facilities, as well as those for "hybrid facilities" that use a mix of fuels, including those that operate in part by using fossil fuels.

Table 1: Renewables Portfolio Standard Eligibility Requirements for Renewable Electricity Facilities

Resource Used	RPS Eligibility	RPS and SEP Eligibility
Biomass	Yes	Yes, if New or Repowered AND IF it meets fuel use specifications. See notes below. [1,2,3]
Biodiesel	Yes, subject to RESTRICTION [4]	Yes, if New or Repowered
Digester Gas	Yes	Yes, if New or Repowered
Fuel Cells	Yes, if a renewable fuel is used.	Yes, if New or Repowered
Geothermal	Yes~~, RESTRICTED to adjusting the baseline if the facility was originally operating before September 26, 1996.~~	Yes, if New or Repowered
~~Incremental Geothermal~~	~~Yes, regardless of original operation date, if certified as Incremental Geothermal Generation.~~ [5]	~~Yes, if New or Repowered~~
Hydroelectric	Yes, RESTRICTED to facilities 30 MW or less. Facilities operational on or before December 31, 2005 are eligible if owned by or under contract to a retail seller as of December 31, 2005. Facilities that exceed 30 MW as result of efficiency improvements made after January 1, 2003 may be eligible if the improvement does not require a new or increased appropriation or diversion of water from a watercourse.~~RESTRICTED if it was owned by an IOU as of September 12, 2002, or if the generation was procured by an IOU as of September 12, 2002, then the generation may be counted only towards adjusting an IOUs RPS baseline.~~ Facilities originally operational AFTER December 31, 2005 are eligible if they will not require a new or increased appropriation or diversion of water from a watercourse. ~~September 12, 2002 must meet SEP requirements.~~	Yes, if 30 MW or less, New or Repowered AND IF it does NOT require a new or increased appropriation or diversion of water under Water Code Section 1200 et seq.
Hydroelectric - conduit	Yes, if facility operational on or before December 31, 2005. Facilities operational after December 31, 2005, are eligible if they will not require a new or increased appropriation or diversion of water from a watercourse. Facilities that exceed 30 MWs as a result of efficiency improvements made after January 1, 2003, may be eligible if the improvement does not require a new or increased appropriation of water from a watercourse.	Yes, if 30 MW or less, New or Repowered AND IF it does NOT require a new or increased appropriation or diversion of water under Water Code Section 1200 et seq.
Landfill Gas	Yes	Yes, if New or Repowered
MSW Combustion	Yes, but ~~generation from MSW combustion is RESTRICTED to adjusting the baseline AND is~~ only eligible IF the electric generation facility is located wholly within Stanislaus County and began operating before September 26, 1996.	Combusted MSW is NOT SEP-eligible.

MSW Conversion	Yes, if it meets the definition of “solid waste conversion."[5] ~~SEP requirements.~~	Yes, if New or Repowered AND IF it meets the definition "solid waste conversion."[5] [6]
Photovoltaic	Yes [6] [7]	Yes, if New or Repowered
Solar Thermal	Yes	Yes, if New or Repowered
Tidal Current	Yes	Yes, if New or Repowered
Ocean Wave	Yes	Yes, if New or Repowered
Ocean Thermal	Yes	Yes, if New or Repowered
Wind	Yes	Yes, if New or Repowered

Notes to Table 1

[1] **New:** Resources that first begin commercial operation or are repowered on or after ~~January 1, 2002~~December 31, 2005, and meet the other eligibility requirements of Public Resources Code Section 25743, including Subdivision (f), are eligible for SEPs.

[2] **Repowered:** Repowered generators will be eligible for SEPs if they replace their prime generating equipment and use tax records, or an acceptable alternative, to demonstrate that they have made capital investments in the facility equal to "at least 80 percent of the value of the repowered facility," as required by Public Resources Code Section 25743, Subdivision (c). For generators with existing long-term contracts originally entered into before September 26, 1996, only generation above and beyond what is already under contract, as determined in accordance with Public Resources Code Section 25740.5, subdivision (e), paragraph (1)(C), ~~Public Utilities Code Section 399.6, Subdivision (c), paragraph (1)(C)~~, may compete to satisfy the RPS obligation of a retail seller and be eligible for SEPs.

[3] **~~New or Repowered~~ Biomass:** ~~New or repowered~~ Bbiomass facilities seeking RPS and SEP eligibility must certify to the satisfaction of the Energy Commission that fuel utilization is limited to the following pursuant to Public Resources Code Sections 25742, subdivision (d), and 25743, s~~S~~ubdivision (f):

(A) Agricultural crops and agricultural wastes and residues.

(B) Solid waste materials such as waste pallets, crates, dunnage, manufacturing, and construction wood wastes, landscape or right-of-way tree trimmings, mill residues that are directly the result of the milling of lumber, and rangeland maintenance residues.

(C) Wood and wood wastes that meet all of the following requirements:

(i) Have been harvested pursuant to an approved timber harvest plan prepared in accordance with the Z'berg-Nejedly Forest Practice Act of 1973, Chapter 8 (commencing with Section 4511 of Part 2 of Division 4 of the Public Resources Code).

(ii) Have been harvested for the purpose of forest fire fuel reduction or forest stand improvement.

(iii) Do not transport or cause the transportation of species known to harbor insect or disease nests outside zones of infestation or current quarantine zones, as identified by the Department of Food and Agriculture or the Department of Forestry and Fire Protection, unless approved by those agencies.

[4] **Biodiesel:** Electricity produced from biodiesel is eligible for the RPS IF the biodiesel is derived either from 1) a biomass feedstock such as "agricultural crops and agricultural wastes and residues" or as a result of an eligible "solid waste conversion" process (see Municipal Solid Waste Conversion) and 2) if it meets the requirements for hybrid technologies, as appropriate. Electricity generated from biodiesel derived from biomass fuel or as a result of a solid waste conversion process may also quality for SEPs if the SEP requirements for biomass or solid waste conversion are satisfied.

~~[5] **Incremental Geothermal:** Incremental Geothermal Generation is defined as resulting from eligible capital expenditures that reflect:~~

~~1) a substantial capital project, resulting in replacement of generating equipment or increase in steam converted to generation at a facility;~~

~~2) a sustainable impact on the underlying reservoir use; that is, a project does not cause an increase in the decline rate of the reservoir; and~~

~~3) a capital project completion date after September 26, 1996;~~

~~4) AND IF the incremental output was not sold to a retail seller under contract entered into prior to September 26, 1996.~~

[56] **Municipal Solid Waste Conversion:** A technology using a non-combustion thermal process to convert solid waste to a clean burning fuel for the purpose of generating electricity that meets all of the following criteria:

(i)The technology does not use air or oxygen in the conversion process, except ambient air to maintain temperature control.

(ii) The technology produces no discharges of air contaminants or emissions, including greenhouse gases as defined in Section 42801.1 of the Health and Safety Code.

(iii) The technology produces no discharges to surface or groundwaters of the state.

(iv) The technology produces no hazardous wastes.

(v) To the maximum extent feasible, the technology removes all recyclable materials and marketable green waste compostable materials from the solid waste stream before the conversion process, and the owner or operator of the facility certifies that those materials will be recycled or composted.

(vi) The facility at which the technology is used complies with all applicable laws, regulations, and ordinances.

(vii) The technology meets any other conditions established by the Energy Commission.

(viii) The facility certifies that any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling and composting. To qualify for SEPs, the facility must certify that any local agency sending solid waste to the facility is in compliance with Division 30 of the Public Resources Code (commencing with Section 40000), and has reduced, recycled, or composted solid waste to the maximum extent feasible, and shall have been found by the California Integrated Waste Management Board to have diverted at least 30 percent of all solid waste through source reduction, recycling, and composting.

[67] **Photovoltaic**: The CPUC is currently deliberating how to achieve the RPS eligibility of distributed generation, particularly solar.

~~1. Resource or Fuel-Specific Eligibility Requirements~~

~~The following requirements apply to generators seeking RPS certification or RPS and SEP certification for a facility that operates on biodiesel, biomass, geothermal or incremental geothermal, hydropower, municipal solid waste (MSW), photovoltaics, or a mix of fuels in a "hybrid technology."~~

1. Biodiesel

The electricity produced from combusting biodiesel is eligible for the RPS to the extent that the biodiesel is derived from the following:

1. A biomass feedstock such as "agricultural crops and agricultural wastes and residues," consistent with the requirements for hybrid technologies (refer to the guidelines for biomass eligibility and for hybrid technologies below), or

2. An eligible "solid waste conversion" process using MSW (refer to the MSW eligibility guidelines below), consistent with applicable requirements for hybrid technologies.

In addition, the facility must be located in California or satisfy the out-of-state eligibility requirements discussed later in this *Guidebook*.

2. Biomass

~~The eligibility requirements for biomass facilities vary depending on the date the facility first commences "commercial operation" as defined in the *Overall Program Guidebook*.~~

~~Pre-January 1, 2002: The generation from a biomass facility that commenced commercial operations prior to January 1, 2002, is eligible for the California RPS if the facility is located in-state or satisfies the out-of-state eligibility requirements.~~

~~Post-January 1, 2002: The generation from a biomass facility that commences commercial operations or is repowered on or after January 1, 2002, is eligible for the RPS to the extent that the facility is located in-state or satisfies the out-of-state eligibility requirements. The generation is eligible for SEPs if the facility operator certifies to the satisfaction of the Energy Commission that the fuel used is limited to the following:~~
The generation from a biomass facility is eligible for the RPS provided the facility uses a "biomass" fuel as defined in the Overall Program Guidebook.

The generation from a biomass facility is eligible for the RPS and SEP if the facility operator certifies to the satisfaction of the Energy Commission that the fuel used is limited to the following:

1. Agricultural crops and agricultural wastes and residues.

2. Solid waste materials such as waste pallets, crates, dunnage, manufacturing, and construction wood wastes, landscape or right-of-way tree trimmings, mill residues that are directly the result of the milling of lumber, and rangeland maintenance residues.

3. Wood and wood wastes that meet all of the following requirements:

    a. Have been harvested pursuant to an approved timber harvest plan prepared in accordance with the Z'berg-Nejedly Forest Practice Act of 1973 (Chapter 8 (commencing with Section 4511) of Part 2 of Division 4 of the Public Resources Code).

    b. Have been harvested for the purpose of forest fire fuel reduction or forest stand improvement.

    c. Do not transport or cause the transportation of species known to harbor insect or disease nests outside zones of infestation or current quarantine zones, as identified by the Department of Food and Agriculture or the Department of Forestry and Fire Protection, unless approved by these agencies.

When applying for RPS and SEP pre-certification or certification, biomass facility operators ~~that are repowering or commencing commercial operations on or after January 1, 2002, and are seeking SEP eligibility~~ must state their intent in writing to (1) procure biomass fuel supplies that meet the applicable statutory requirements noted above, and (2) comply with annual reporting requirements. After receiving certification and commencing commercial operations, facility operators that are awarded SEPs must report to the Energy Commission annually on the type and quantity of biomass fuel used as specified in the New Renewable Facilities Program Guidebook. The annual report shall include an attestation from the facility operator stating that the fuel used meets the applicable statutory requirements. In addition, the report shall include an attestation from the ~~must submit an annual written attestation~~ from the ~~facility's~~ facilities fuel supplier(s) stating that the biomass fuel delivered to the facility meets the applicable statutory requirements.

~~This annual attestation must be submitted regardless of whether the facility operator intends to compete for SEPs.~~ The attestation is due to the Energy Commission on February 15th of each year and should apply to fuel use for the previous calendar year. Biomass facility operators must also provide documentation upon request by the Energy Commission to verify ongoing compliance with these requirements between reporting dates.

~~Additional information is required annually for biomass facility operators receiving SEPs; that information is discussed in the *New Renewable Facilities Program Guidebook.*~~

4. Geothermal: The RPS eligibility of geothermal facilities varies depending on the date the facility first commences commercial operations.

- Pre-September 26, 1996: Generation from geothermal facilities that began commercial operations before September 26, 1996, is eligible for the RPS only to establish or adjust a retail seller's baseline of eligible renewable energy resources. The facility must also be located in-state or satisfy the out-of-state requirements. Generation from these facilities is not eligible for SEPs.

- September 26, 1996, to January 1, 2002: Generation from geothermal facilities that began commercial operations on or after September 26, 1996, and before January 1, 2002, is eligible for the RPS. The facility must also be located in-state or satisfy the out-of-state requirements. Generation from these facilities is not eligible for SEPs.

- Post-January 1, 2002: Generation from geothermal facilities that commence commercial operations or are repowered on or after January 1, 2002, is eligible for the RPS provided the facility is located in-state or satisfies the out-of state requirements. Generation from these facilities is also eligible for SEPs provided it meets the eligibility requirements described in the New Renewable Facilities Guidebook.

Incremental Geothermal: Incremental generation from geothermal facilities is eligible for the RPS but is limited to generation resulting from eligible capital expenditures as described below. Incremental geothermal generation is eligible for SEPs to the extent that the generation meets the criteria for "new" or "repowered" in-state renewable electricity generation technology facilities described in SB 1038.

To be considered an "eligible capital expenditure," the expenditure must meet the following criteria:

1. is a substantial capital project that results in replaced generating equipment or increased steam converted to generation.

2. does not cause an increase in the decline rate of the reservoir.

3. is a capital project completed after September 26, 1996.

Examples of eligible capital expenditures at a facility are repowering or refurbishing generation equipment, or using the geothermal energy more effectively to increase generation, such as adding a binary bottoming cycle. An example of an eligible capital expenditure at a steamfield is increasing production from the steamfield through increased water injection.

3. Small Hydroelectric

The RPS eligibility of small hydroelectric facilities depends in part on whether the facility was operational by December 31, 2005 and whether improvements were made after January 1, 2003. ~~varies depending on the date the facility first commences commercial operations and whether the facility is owned, or its generation is procured by, an IOU.~~

RPS Eligibility

- Pre-December 31, 2005:~~September 12, 2002: Except as noted, g~~ Generation from a small hydroelectric facility that commenced commercial operations on or before December 31, 2005~~September 12, 2002~~, is eligible for the RPS if the facility meets all of the following criteria:

    1. The facility is 30 MW or less, with an exception for eligible efficiency improvements made after January 1, 2003 as discussed below.

    2. The facility is located in-state or satisfies the out-of-state requirements.

    3. The facility was under contract to, or owned by, a retail seller as of December 31, 2005.~~not owned by an IOU as of September 12, 2002, and its generation was not procured by an IOU as of September 12, 2002.~~

    Efficiency Improvements: A small hydro facility shall not lose its eligibility if efficiency improvements undertaken after January 1, 2003, cause it to exceed 30 MW and do not require a new or increased appropriation or diversion of water from a watercourse. The entire generating capacity of the facility shall be RPS-eligible.

    ~~4.If the facility was owned by an IOU as of September 12, 2002, or its generation procured by an IOU as of September 12, 2002, its generation is eligible only for purposes of establishing or adjusting an IOU's RPS baseline. The facility's generation may not be used for meeting an IOU's incremental procurement target.~~

- Post-December 31, 2005:~~September 12, 2002:~~ Generation from a small hydroelectric facility that commences commercial operations or is repowered on or after December 31, 2005~~September 12, 2002, and is 30 MW or less~~ is eligible for the California RPS and SEPs if the facility meets all of the following criteria:

    1. The facility is 30 MW or less, with an exception for eligible efficiency improvements.

    2. The facility is located in-state or satisfies the out-of-state requirements.

3. The facility does not require a new or increased appropriation or diversion of water from a water course.

RPS and SEP Eligibility

- Post-December 31, 2005: Generation from a small hydroelectric facility that commences commercial operations or is repowered after December 31, 2005, is eligible for the California RPS and SEPs if the facility meets all of the following criteria:

    1. The facility is 30 MW or less.

    2. The facility is located in-state or satisfies the out-of-state requirements.

    3. The facility does not require a new or increased appropriation or diversion of water under Water Code Section 1200 et seq.

    Efficiency Improvements: A small hydroelectric facility shall not lose its RPS eligibility if efficiency improvements undertaken after the facility commences commercial operations cause it to exceed 30 MW and do not require a new or increased appropriation or diversion of water from a watercourse. The entire generating capacity of the facility shall be RPS-eligible. However, the facility may only qualify for SEPs for capacity of 30 MW or less.

4. Conduit Hydroelectric

The RPS eligibility of a conduit hydroelectric facility depends in part on whether the facility was operational by December 31, 2005.

RPS Eligibility

- Pre-December 31, 2005: Generation from a conduit hydroelectric facility that commenced commercial operations on or before December 31, 2005, is eligible for the RPS if the facility meets all of the following criteria:

    1. The facility is 30 MW or less, with the exception of eligible efficiency improvements made after January 1, 2003, as discussed below.

    2. The facility is not located on Federal lands and utilizes for its generation only the hydroelectric potential of a manmade conduit, which is operated for the distribution of water for agricultural, municipal, or industrial consumption and not primarily for the

generation of electricity as specified in Section 823a of Title 16 of the United States Code.

3. The facility is located in-state or satisfies the out-of-state requirements.

Efficiency Improvements: A conduit hydroelectric facility shall not lose its eligibility if efficiency improvements undertaken after January 1, 2003, cause it to exceed 30 MW and do not require a new or increased appropriation or diversion of water from a watercourse. The entire generating capacity of the facility shall be RPS-eligible.

- Post-December 31, 2005: Generation from a conduit hydroelectric facility that commences commercial operations or is repowered after December 31, 2005, is eligible for the California RPS if the facility meets all of the following criteria:

    1. The facility is 30 MW or less, with the exception of eligible efficiency improvements.

    2. The facility is not located on Federal lands and utilizes for its generation only the hydroelectric potential of a manmade conduit, which is operated for the distribution of water for agricultural, municipal, or industrial consumption and not primarily for the generation of electricity as specified in Section 823a of Title 16 of the United States Code.

    3. The facility is located in-state or satisfies the out-of-state requirements.

    4. The facility does not require a new or increased appropriation or diversion of water from a water course.

RPS and SEP Eligibility

- Post-December 31, 2005: Generation from a conduit hydroelectric facility that commences commercial operations or is repowered after December 31, 2005, is eligible for the California RPS and SEP if the facility meets all of the following criteria:

    1. The facility is 30 MW or less.

    2. The facility is not located on Federal lands and utilizes for its generation only the hydroelectric potential of a manmade conduit, which is operated for the distribution of water for agricultural, municipal, or industrial consumption and not primarily for the generation of electricity as specified in Section 823a of Title 16 of the United States Code.

3. The facility is located in-state or satisfies the out-of-state requirements.

4. The facility does not require a new or increased appropriation or diversion of water under Water Code Section 1200 et seq.

Efficiency Improvements: A conduit hydroelectric facility shall not lose its RPS eligibility if efficiency improvements undertaken after the facility commences commercial operations cause it to exceed 30 MW and do not require a new or increased appropriation or diversion of water from a watercourse. The entire generating capacity of the facility shall be RPS-eligible. However, the facility may only qualify for SEPs for capacity of 30 MW or less.

For purposes of RPS and SEP eligibility of small hydroelectric and conduit hydroelectric~~this limitation~~, the terms "appropriation" and "diversion" shall be defined as follows:

"Appropriation" shall be defined in a manner consistent with Water Code Section 1201 to mean the right to use a specified quantity of water from any surface streams or other surface bodies of water or from any subterranean streams flowing through known and definite channels.

"Diversion" shall be defined in a manner consistent with Water Code Section 5100(b) to mean the taking of water by gravity or pumping from a surface stream or subterranean stream flowing through a known and definite channel, or other body of surface water, into a canal, pipeline, or other conduit, and includes impoundment of water in a reservoir.

Public input is requested on the following:

- Should the terms "appropriation" and "diversion" be defined the same or differently for new facilities seeking RPS eligibility only versus new facilities seeking both RPS and SEP eligibility? If they should be defined differently for RPS eligibility, how should they be defined?

  Background: New facilities seeking RPS and SEP eligibility may not require a "new or increased appropriation of water" under Water Code Section 1200 et seq. New facilities seeking RPS eligibility may not require a "new or increased appropriation or diversion of water from a water course." Given the difference in statutory language, the terms "appropriation" and "diversion" for RPS eligibility may be defined consistent with Water Code Section 1200 et seq., or may be defined differently.

Hydroelectric Facilities and Conduit Hydroelectric ~~Located~~ located within California

A new or repowered small hydroelectric facility or conduit hydroelectric located within California is NOT eligible for the RPS or RPS and SEPs if it requires any of the following:

1. A new or revised permit from the State Water Resources Control Board (SWRCB) for a new appropriation of water.

2. A new permit or license from the SWRCB for a new diversion of water.

3. An increase in the volume or rate of water diverted if the increase would require a new permit or license from the SWRCB.

4. An increase in the volume or rate of water diverted under an existing right, even if such an increase would not require a water right permit or license from the SWRCB.

If a new or repowered small hydroelectric facility or conduit hydroelectric facility ~~project~~ can demonstrate that it could operate without a new or increased appropriation or diversion of water, it may be eligible for the RPS and SEPs. For example, a small hydro facility that can operate by simply adding hydroelectric power generation as an authorized purpose of use to its existing SWRCB permit or license may be eligible for the RPS and SEPs if this change in use does not require a new appropriation or does not increase the volume or rate of water diverted beyond that which is allowed under that permit or license. Similarly, a water development project that has been granted a permit by the SWRCB but has not been built out and issued a license by the SWRCB may be able to use additional water as authorized under the permit to create electric energy so long as there is no change in water use relative to what the permittee would have used under the approved project.

~~A new or repowered small hydroelectric project located in California can qualify for the RPS and SEPs if it meets the following criteria:~~

~~1.The applicant has a permit or license to appropriate water from the SWRCB, which was issued on or before September 12, 2002.~~

~~2.The applicant can operate its proposed project under its existing SWRCB permit or license.~~

Hydroelectric Facilities and Conduit Hydroelectric ~~Located~~ located Outside California

A new or repowered small hydroelectric facility or conduit hydroelectric located outside California is NOT eligible for the RPS or RPS and SEPs if it requires any of the following:

1. A new permit or license from any government body for a new appropriation of water.

2. A new permit or license from any government body for a new diversion of water.

3. An increase in the volume or rate of water diverted under an existing right, even if such an increase would not require a new permit or license from any government body.

If a new or repowered small hydroelectric project located outside California can demonstrate that it could operate without a new or increased appropriation or diversion of water, it may be eligible for the RPS and SEPs. For example, a small hydro facility that can operate by simply adding hydroelectric power generation as an authorized purpose of use to its existing government permit or license may be eligible for the RPS and SEPs if this change in use does not require a new appropriation or increased diversion and does not change the volume or rate of water withdrawn or released under that permit or license. ~~A project located outside California would likely qualify for the RPS and SEPs if it meets the following criteria, as well as the out-of-state eligibility criteria specified earlier in this guidebook:~~

~~1.The applicant has a permit or license to appropriate water from the applicable governing body, which was issued on or before September 12, 2002.~~

~~2.The applicant can operate its proposed project under its existing government-issued permit or license.~~

The applicant is responsible for showing that its project qualifies for the RPS. Information required for small hydropower applicants is discussed in the section on certification.

The Energy Commission interprets the 30-MW size limit to such that if a 30 MW facility had an eligible 5 MW efficiency increase, energy from the 35 MW would be RPS-eligible. However, a 5 MW efficiency increase to a 50 MW facility would not qualify for the RPS, because the original size of the facility exceeded 30 MW. ~~apply to the total hydro project. Consequently, the facility must not exceed 30MW, including any incremental increases to the efficiency or size of the facility. For example, a 5-MW incremental addition to a 50-MW facility would not qualify for the RPS because the facility exceeds the 30-MW size limit.~~

5. Municipal Solid Waste

Applicants representing facilities using MSW fall into two categories:

1. Combustion Facilities: A facility that directly combusts MSW to produce electricity is only eligible for the RPS if it is located in Stanislaus County and was operational before September 26, 1996. Applicants for combustion facilities must submit documentation to the Energy Commission demonstrating that the facilities meet these requirements. The generation from such facilities is eligible for the RPS only to establish or adjust an IOU's baseline quantity of eligible renewable energy resources. Generation from these facilities does not qualify for SEPs.

2. Solid Waste Conversion Facilities: A facility that uses a non-combustion thermal process to convert MSW to a clean burning fuel that is then used to generate electricity is eligible for the RPS ~~and may qualify for SEPs if it qualifies as new or repowered and~~ if it is located in-state or satisfies the out-of-state requirements, and meets ~~. Such facilities must meet~~ all of the following criteria in accordance with Public Resources Code Section 25741, subdivision (b)(3)~~(a)(3)~~:

   a. The technology does not use air or oxygen in the conversion process, except ambient air to maintain temperature control.

   b. The technology produces no discharges of air contaminants or emissions, including greenhouse gases as defined in Section 42801.1 of the Health and Safety Code.

   c. The technology produces no discharges to surface or groundwaters of the state.

   d. The technology produces no hazardous wastes.

   e. To the maximum extent feasible, the technology removes all recyclable materials and marketable green waste compostable materials from the solid waste stream before the conversion process, and the owner or operator of the facility certifies that those materials will be recycled or composted.

   f. The facility at which the technology is used complies with all applicable laws, regulations, and ordinances.

   g. The technology meets any other conditions established by the State Energy Resources Conservation and Development Commission (formal name of the Energy Commission).

   h. The facility certifies that any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting.

To qualify for SEPs, the facility must meet the criteria above for RPS eligibility and certify that any local agency sending solid waste to the facility is in compliance with Division 30 of the Public Resources Code (commencing with Section 40000)~~,~~ has

reduced, recycled, or composted solid waste to the maximum extent feasible; and has shall have been found by the California Integrated Waste Management Board to have diverted at least 30 percent of all solid waste through source reduction, recycling, and composting.

6. Solar Energy and Distributed Generation:

Generation from facilities using solar energy is eligible for the RPS. Both central station and distributed generation facilities are eligible, but the Energy Commission has not yet determined how to include distributed generation into RPS compliance or guidelines.

Solar thermal electric central station facilities delivering electricity to the grid are relatively straightforward to integrate into RPS implementation because the generation can be readily measured and procured towards meeting RPS requirements. It is possible that a photovoltaic (PV) central station facility could also produce electricity that is eligible for the RPS with standard metering employed for central station facilities.

Distributed generation PV facilities and other distributed renewable energy technologies, however, have qualities that make them more difficult than central station facilities to integrate into RPS implementation. For example, distributed PV facilities are typically small-scale applications designed to meet on-site energy demands. In addition, generation from distributed generation PV may be metered differently than central station facilities or not metered at all. Also, as described in the *New Renewable Facilities Program Guidebook*, on-site generation is not eligible for SEPs.

Both the Energy Commission and the CPUC have roles in determining RPS implementation for distributed generation. However, the Energy Commission is deferring any decisions on how to integrate distributed generation PV and other forms of customer-sited renewable energy into the RPS until the CPUC has further addressed RPS implementation issues for distributed generation.

In May 2005, the CPUC issued the *Opinion Clarifying Participation of Renewable Distributed Generation in the Renewable Portfolio Standards Program* to clarify participation of renewable distributed generation in the RPS (Decision 05-05-011, Rulemaking 04-04-026). Among other things, the CPUC ruled that RECs from eligible renewable distributed generation facilities installed after October 24, 2002, may qualify for the RPS. However, the CPUC stated that renewable distributed generation facilities cannot be counted for the RPS until issues surrounding measurement, metering, and how to account for subsidies distributed generation may receive elsewhere (such as rebates from the Energy Commission's Emerging Renewables Program) are resolved. The CPUC referred the outstanding issues to its distributed generation Rulemaking (R. 04-03-017).

7. Hybrid Systems

In the past, the Energy Commission's Renewable Energy Program (REP) provided that renewable facilities using fossil fuels were eligible for funding as long as the percentage of fossil fuel used did not exceed 25 percent of the total energy input of the facility during a given calendar year. As long as a facility did not use more than 25 percent fossil fuel for its total generation, including the portion produced with fossil fuels then it was considered eligible for funding by the Energy Commission. The Energy Commission will provide the same treatment under the RPS for existing facilities that originally commenced commercial operations prior to January 1, 2002, and have not been repowered.

Further, any facility that is developed and awarded a power purchase contract as a result of an Interim RPS procurement solicitation approved by the CPUC pursuant to Decision 02-08-071 and Decision 02-10-062 may use up to 25 percent fossil fuel in its facility and count 100 percent of the electricity generated as RPS-eligible (assuming the electricity meets all other eligibility requirements).

The Energy Commission will allow two alternatives for eligibility of new and repowered facilities that operate on co-fired fuels or a mix of fuels that includes fossil fuel:

1. If the facility is certified as a Qualifying Small Power Production Facility (QF) under the federal Public Utilities Regulatory Policies Act (PURPA), then 100 percent of the electricity production from the facility may count as renewable provided the facility satisfies the fossil fuel use limitations specified in PURPA and the facility otherwise satisfies the applicable California RPS standards.

2. If the facility is NOT certified as a QF, then only the renewable portion of the electricity production can qualify for the RPS, and then only once an appropriate tracking system for such electricity production is developed.

Before new or repowered non-QF hybrid facilities can be certified as RPS eligible, the Energy Commission will need to develop a methodology as part of the tracking system to measure the renewable fraction of generation. This methodology could be based on the total heat input of the fuel, for example. As part of their application for certification from the Energy Commission, parties interested in certifying such facilities are invited to propose an appropriate tracking methodology for their facility.

Pumped storage hydro may qualify for the RPS to the extent that: 1) the facility meets the eligibility requirements for small hydro, and 2) the electricity used to pump the water qualifies as RPS-eligible. The amount of energy that may qualify for the RPS is the amount of electricity dispatched from the system.

The Energy Commission clarifies that pumped storage facilities qualify for the RPS on the basis of the renewable electricity used for pumping, and that electricity storage facilities will not be certified for the RPS as distinct or separate renewable facilities. A

facility certified as RPS eligible may include an electricity storage device if it does not conflict with other RPS eligibility criteria, but the storage unit itself will not be separately certified.

Conversion of RPS-eligible Fuel from Natural Gas Pipeline

The Energy Commission received an inquiry from PG&E about the RPS-eligibility of pipeline-quality biogas produced at a dairy, injected into the gas distribution system, and burned in combination with natural gas at a power plant. Digester gas is an RPS-eligible fuel but this case adds accounting complications because the fuel is injected into the gas distribution system and mixed with non-renewable natural gas. Below is a discussion on the RPS-eligibility of such a hybrid system and how to track the RPS-eligible generation.

Gas must meet strict heat content and quality requirements within a narrow band of tolerance to qualify as pipeline grade. Quantifying RPS-eligible energy production requires accurate metering of the volume of biogas injected into the system and the measured heat content of the injected gas. Natural gas regulations require gas entering the system to be "nominated" for use at a specific power plant. Consequently, the amount and energy content of the biogas or other RPS-eligible gas produced can be measured and nominated for use at a specific power plant.

The Energy Commission certifies individual power plants as RPS-eligible and as such the operator of the power plant for which the gas is nominated must certify its facility as RPS eligible, recognizing that the facility will use a blend of RPS-eligible and ineligible fuel. The amount of RPS-eligible electricity produced can be calculated by dividing the energy content in British Thermal Units (BTUs) of the RPS-eligible fuel delivered to the power plant (RPS-eligible BTUs) by the facility heat rate (BTUs per kWh). Although blending the biogas into the gas transmission system mixes the biogas with other pipeline gas, an injection of gas is nominated for use to one specific power plant. When RPS-eligible gas is injected into the pipeline mix, the heat rate used to calculate the RPS-eligible energy shall be the annual average heat rate of the nominated power plant.

Any production or acquisition of gas that is directly supplied to the gas transmission and distribution system and used to produce electricity may generate RPS-eligible electricity as follows:

1. The gas must be produced from an RPS-eligible resource.

2. The gas must be injected at a point within the California border.

3. The energy content produced and supplied to the distribution system must be measured and reported annually, disaggregated by month. Reporting shall be in units of energy (e.g. MMBtu) based on metering of gas volume and adjustment

for measured heat content per volume. Commission staff plans to develop a reporting form.

4. The gas must be used at a facility that has been certified as RPS-eligible. As part of the application for certification, the applicant must attest that the RPS eligible gas will be nominated to that facility. Also, the applicant must provide the annual average heat rate of the facility.

5. In its annual verification report, the Energy Commission will calculate the RPS-eligible energy produced. The monthly heat content of the RPS-eligible gas will be divided by the annual average facility heat rate, to calculate RPS-eligible electricity produced per month.

Public input is requested on the following:

- Should biogas injected into the gas transmission pipeline and converted into electricity be RPS-eligible? If so, is this methodology appropriate?
- What published data are available for an annual average heat rate for a facility?
- What additional information should the facility operator be required to report on a monthly or annual basis to ensure the facility is only credited for that portion of the facility's generation associated with RPS-eligible fuel?
- Should the facility operator be required to report the monthly volume of RPS-eligible fuel supplied to the gas transmission pipeline and the monthly volume of natural gas used at the facility?
- What information should the fuel supplier be required to report to the Energy Commission to verify the eligibility of the fuel?

C. Eligibility for Supplemental Energy Payments

A facility that is eligible for the RPS may also be eligible for SEPs. To qualify as eligible for SEPs, a facility must meet the RPS eligibility requirements above, as well as the additional requirements below.

1. The facility is either:

   a. "new," meaning the facility first commences commercial operations on or after January 1, ~~2002~~2005, with the commercial operation date used to designate a facility as "new" to be periodically updated by the Energy Commission, or

   b. "repowered," such that the prime generating equipment of the facility is replaced and the applicant demonstrates that the capital investments equal "at least 80 percent of the value of the repowered facility," as required by Public Resources Code Section 25743, subdivision (c). A facility qualifies as "repowered" only if it re-enters commercial operations on or after the commercial operations date that distinguishes "new" facilities. Only investments made in the two years prior to re-entering commercial operations qualify toward the 80 percent investment

threshold. More information about the requirements to qualify as a repowered facility is provided in the section on certification.

2. A small hydroelectric facility may qualify for SEPs if it commences commercial operations or is repowered after December 31, 2005 ~~on or after September 12, 2002~~.

3. If a facility has an existing long-term contract with a retail seller originally entered into before September 24, 1996, then only incremental new or repowered generation that is above and beyond what is already under contract, as determined in accordance with Public Resources Code Section 25740.5, subdivision (e)(1)(C), ~~Public Utilities Code Section 399.6 (c)(1)(C),~~ may qualify for SEPs.

For information about applying for and receiving SEPs, please refer to the *New Renewables Facilities Program Guidebook*).

D. Eligibility of Out-of-State Facilities

This section applies to renewable facilities that are located out-of-state and have their first point of interconnection to the Western Electricity Coordinating Council (WECC) transmission system outside the state, as defined in the *Overall Program Guidebook*. Facilities that have their first point of interconnection to the WECC transmission system within the state are considered to be in-state facilities and are not subject to the requirements of this section for purposes of RPS or SEP eligibility. Out-of-state facilities that are not or will not be interconnected to the WECC transmission system are not eligible for the RPS.

Note that the delivery requirements described here for out-of-state facilities do not apply to electric corporations that serve retail end-use customers outside California and have 60,000 or fewer customer accounts in California pursuant to Public Utilities Code Section 399.17. Section 399.17 modifies the definition of an eligible renewable energy resource to include out-of-state facilities for certain electric corporations, such as PacifiCorp and Sierra Pacific Power, which serve customers both in and outside California.

Generation from renewable facilities located out-of-state is potentially eligible for both the RPS and SEPs. To qualify only for the RPS or the RPS and SEPs, generation from an out-of-state facility must meet the RPS eligibility requirements described above and must satisfy all of the following criteria. ~~Note that the criteria below do not apply to electric corporations that serve retail end-use customers outside California and have 60,000 or fewer customer accounts in California pursuant to Public Utilities Code Section 399.17, as enacted by Assembly Bill 200 (Leslie) AB 200, Chapter 50, Statutes of 2005. AB 200 modified the definition of eligible renewable resources to include out-of-state facilities for certain electric corporations, such as PacifiCorp and Sierra Pacific Power, which serve customers both in and outside California.~~

~~For PG&E, SCE and SDG&E, electricity procured from a facility located out-of-state must meet the following criteria to be eligible for the RPS.~~

~~1.The generation must be from a facility that:~~

~~a)Is located so that it is or will be connected to the WECC transmission system.~~

~~b)Has a guaranteed contract to sell its generation to a retail seller or the California Independent System Operator (CA ISO).~~

~~c)Demonstrates delivery of its generation to an in-state market hub or in-state substation located within the CA ISO control area of the WECC transmission system (or located anywhere in California if applicable CPUC rules allow delivery outside CA ISO).~~

~~d)Satisfies the "Delivery Requirements" set forth below.~~

~~e)Participates in an RPS tracking and verification system approved by the Energy Commission.~~

~~To qualify for both the RPS and SEPs, generation from an out-of-state facility must meet the RPS eligibility requirements described above and must satisfy all of the following criteria:~~

~~2. The generation must be from a facility that:~~

~~a)Is located so that it is or will be connected to the WECC transmission system.~~

~~b)Is developed with guaranteed contracts to sell its power to end-users subject to the funding requirements of Public Utilities Code Section 381 (end-use customers of PG&E, SCE, and SDG&E) during the period in which it receives SEPs.~~

a) Is located so that it is or will be connected to the WECC transmission system.

b) Commences initial commercial operations after January 1, 2005.

c) Demonstrates delivery of its generation to an in-state market hub or in-state location.

d) Does not cause or contribute to any violation of a California environmental quality standard or requirement.

e) If located outside the United States, it is developed and operated in a manner that is as protective of the environment as a similar facility located in California.

f) Participates in an RPS tracking and verification system approved by the Energy Commission.

g) Satisfies the "Delivery Requirements" set forth below.

If the facility meets all of the above criteria except it commenced commercial operations before January 1, 2005 (criterion "b" above), then it may be RPS-eligible (but not SEP-eligible) if it meets one of the following two criteria:

a) The electricity is from incremental generation resulting from project expansion or repowering of the facility, or

b) The facility is part of a retail seller's existing baseline procurement portfolio as identified by the CPUC.

For retail sellers that serve end-use customers outside California and have 60,000 or fewer customer accounts in California pursuant to Public Utilities Code Section 399.17, such as PacifiCorp and Sierra Pacific Power, electricity procured from a facility located out-of-state must meet the following criteria to be eligible for the RPS~~.~~:

a) The generation must be procured by the retail seller on behalf of its California customers and is not used to fulfill its renewable energy procurement requirements in other states or any other renewable energy retail claim.

b) The facility is connected to the WECC.

c) ~~b)~~ The facility and retail seller must participate in an RPS tracking and verification system approved by the Energy Commission.

Generation procured by retail sellers pursuant to Public Utilities Code Section 399.17 is not eligible for SEPs.

E. Delivery Requirements

For purposes of RPS compliance, electricity is deemed delivered if it is either generated at a location within the state, or is scheduled for consumption by California end-use retail customers as specified in Public Resources Code Section 25741, subdivision (a). Consequently, electricity generated by facilities located in-state or having their first point of interconnection to the WECC transmission system in-state satisfies California RPS-delivery requirements.

To count generation from out-of-state facilities for purposes of RPS compliance, the electricity ~~it~~ must be delivered to an in-state market hub (also referred to as "zone") or in-state substation (also referred to as "node") located within California. ~~the CA ISO~~

~~control area of the WECC transmission system (or located anywhere in California if applicable CPUC rules allow delivery outside CA ISO).~~ The retail seller or procurement entity and Seller may negotiate which party is responsible for securing transmission at any point along the delivery path as long as the energy is delivered into California.~~the CA ISO (or delivered into California if applicable CPUC rules allow delivery outside CA ISO).~~ The retail seller or procurement entity may document delivery from the control area operator (also referred to as "balancing authority") in which the RPS-eligible facility is located. The Energy Commission will compare the amount of RPS-eligible energy procured per calendar year with the amount of energy delivered into California for the same calendar year and the lesser of the two amounts may be counted as RPS-eligible procurement (for more discussion see "verification of delivery").The delivery must be made consistent with North American Electricity Reliability Council (NERC) rules and documented with a NERC tag as described below.

The following deliverability requirements were developed in consultation with the CA ISO. These requirements must be satisfied for an out-of-state facility to qualify for the RPS or SEPs (with the exception noted above for retail sellers subject~~pursuant~~ to Public Utilities Code Section 399.17). The delivery requirements do not apply to facilities located outside of California whose first point of interconnection to the WECC transmission system is located in California.

1. The facility must either (a) engage in an interchange transaction with the CA ISO to deliver the facility's generation to the market hub or substation in the CA ISO control area or (b) engage in an interchange transaction with another ~~control area operator~~ balancing authority to deliver the facility's generation to an in-state location that satisfies applicable CPUC rules for delivery location. In accordance with the policies of the NERC, the interchange transaction must be tagged as what is commonly referred to as a "NERC tag," which requires, among other things, that information be provided identifying the Generation Providing Entity, the "Source" or ~~the~~ "Point of Receipt," ~~,~~ the physical transmission path for delivery showing intermediary "Points of Delivery," ~~,~~ the contract or market path, the final Point of Delivery or load center~~,~~ known as the "sink," ~~,~~ and the Load Serving Entity responsible for the consumption of electricity delivered.

2. ~~The owner of the eligible facility shall register the facility as a unique Source with NERC. This Source shall be used on NERC transaction tags for all eligible energy deliveries~~The Source identified on the NERC tag may be a specific RPS-eligible facility registered as a unique source or may be the balancing authority for the facility.

3. The RPS-certification number from which the retail seller or procurement entity procures the energy must be shown on the comment field of the NERC tag.

~~3.~~4. The facility must provide the Energy Commission with its NERC identification (Source point name)[11] if it registers as a unique source, or the Source point name of its balancing authority when it applies for RPS certification.

~~4.~~5. The seller ~~facility~~ must request~~submit for~~ and receive acceptance of a NERC tag between a balancing authority in California and the balancing authority in which the facility is located. ~~the CA ISO and the operator of the control area in which the facility is located.~~

~~5.~~6. The applicable parties (the Generation Providing Entity and Load Service Entities) must agree to make available upon request documentation of the NERC tag to the Energy Commission. On May 1 of each year (or the next business day), the retail seller or procurement entity must submit an annual report documenting compliance with this NERC tag requirement for the previous calendar year to the Energy Commission.

~~6.~~7. The facility~~, or the retail seller on the facility's behalf~~, must submit verification of its generation to the Energy Commission annually until the long-term tracking system is in place. Please refer to the section on the "G~~g~~eneration T~~t~~racking S~~s~~ystem." The Energy Commission will use these data to verify the actual generation of power that was scheduled for delivery via NERC tags.

8. If a facility has obtained a SEP award, the Energy Commission will verify that SEPs were only granted for generation that satisfies delivery requirements. If the number of kWh that received SEPs in a calendar year exceeds the number of kWh that the Energy Commission verifies as being delivered consistent with the delivery requirements, the Energy Commission will take corrective action. The Energy Commission may dock the excess payment from subsequent SEPs to the facility. If excess payment was due to misleading or intentionally inaccurate reporting, the Energy Commission may cancel the funding award consistent with provisions in the Overall Program Guidebook.

F. Eligibility of Tradable Renewable Energy Credits

As noted in the section on "Outstanding Issues," RECs traded separately from energy (tradable or unbundled RECs) do not qualify for the California RPS at this time. The law, however, authorizes the use of RECs for RPS procurement requirements once the CPUC and Energy Commission conclude that the WREGIS is operational, capable of independently verifying delivery of renewable energy to a retail seller, and can assure that RECs are not double counted by any seller within the Western Electricity Coordinating Council.

[11] The NERC identification is the Source point name, an alpha-numeric code the generator uses to identify itself when it registers with the Transmission Services Information Network (TSIN). Registration with TSIN is mandatory for participation in the NERC tagging system.

Tradable RECs that in the future may be counted toward California's RPS requirements may be created for electricity delivered from RPS-eligible resources to local publicly owned utilities, the California Independent System Operator, or a retail seller. RECs associated with energy delivered to publicly owned utilities may be certified by the Energy Commission as RPS-eligible if the Energy Commission determines that the publicly owned utility has satisfied certain conditions. For more information, see the Guidebook section on "Publicly Owned Utilities".

No tradable RECs shall be created for electricity generated pursuant to any electricity purchase contract with a retail seller or a publicly owned utility executed before January 1, 2005, unless the contract contains explicit terms and conditions specifying the ownership or disposition of those RECs. Deliveries under those contracts will be tracked through WREGIS and automatically retired as counting towards the retail seller's baseline.

Similarly, no tradable RECs shall be created for contracts with QFs under the federal Public Utility Regulatory Policies Act executed after January 1, 2005. Deliveries of energy under these contracts will be tracked through WREGIS and will automatically be retired as counting towards a retail seller's RPS procurement requirement.

The Energy Commission will not allow electricity beyond a *de minimus* quantity of fossil fuel to result in the creation of a tradable REC. The energy input of an RPS-eligible facility may use fossil fuel for no more than 2 percent of its total annual fuel input (on a BTU basis) and the Energy Commission's tracking system will issue RECs for the facility's entire energy output. This provision will not go into effect before WREGIS is operational. As described above, however, the 2 percent *de minimus* provision will not apply to RPS-eligible generation from the following since tradable RECs will not be issued for:

- Facilities under contract with a retail seller or a local publicly owned utility if the contract was executed before January 1, 2005, unless the contract specifies the ownership or disposition of those RECs, and

- QFs under contracts executed after January 1, 2005.

A REC shall be counted only once for compliance with the California RPS and may not be also used to count towards the regulatory requirements of any other state or to satisfy any other retail product claims. RPS-eligible facilities, publicly owned utilities, and retail sellers who enter tradable REC transactions for RPS compliance purposes must participate in the RPS tracking and verification system approved by the Energy Commission.

RECs will only be certified for generation from an RPS-certified facility that is also eligible to generate tradable RECs. If the facility loses it RPS-certification status, any RECs produced will not be RPS-certified, effective upon the facility ineligibility.

III. Certification Process

This section covers pre-certification and certification of renewable facilities eligible only for the RPS, eligible for both the RPS and SEPs, and for registration as renewable only (not RPS eligible). This section also describes required supplemental information for renewable facilities using technologies that must meet special eligibility requirements.

Electricity generation from a facility cannot be counted towards meeting a retail seller's RPS procurement requirement until the Energy Commission certifies the facility as a Renewable Supplier Eligible for the RPS or as a Renewable Supplier Eligible for the RPS and SEPs. Any facility operator interested in entering into a contract ~~through an RPS solicitation~~ to generate electricity that will count toward a retail seller's RPS obligation must certify the facility with the Energy Commission.

Procurement in ~~2001 and 2002~~ may count toward a retail seller's RPS obligation even though facilities were not RPS certified at the time of procurement. The electricity will not be considered eligible, however, and will not be counted toward meeting an RPS obligation until the facility is certified by the Energy Commission as being eligible for the RPS. This applies to all facilities regardless of whether they previously registered with the Energy Commission's Renewable Energy Program.

In applying for certification, the facility operator, or the IOU on the operator's behalf, agrees to participate in the Energy Commission's generation tracking system. For more information about the tracking system, please refer to the section of this guidebook titled "Generation Tracking System."

~~The generation from facilities certified as eligible for the RPS may be claimed by the procuring retail seller for purposes of establishing the retail seller's baseline, adjusting its baseline, or meeting its annual procurement requirements, depending on the eligibility requirements established in this *Guidebook*.~~ The generation from facilities certified as eligible for the RPS and SEPs may qualify for SEP funding under the Energy Commission's New Renewable Facilities Program. To receive SEPs, eligible facilities must satisfy the requirements specified in the Energy Commission's *New Renewable Facilities Program Guidebook*.

A. Applying for Certification and Pre-Certification

Facilities seeking certification as eligible for the RPS or RPS and SEPs consistent with the eligibility requirements noted above must submit a completed application, along with any necessary supporting documentation, to the Energy Commission at the address shown on the form. An application may be submitted for a facility by the facility operator (CEC-RPS-1A) or by the procuring retail seller on the operator's behalf (CEC-RPS-2) for facilities under contract with the retail seller prior to April 21, 2004, the initial adoption date of this *Guidebook*.

Except for CPUC-ordered extensions to existing QF power purchase contracts, retail seller certification on the operator's behalf becomes void in the event that the facility's contract with the retail seller expires, or is voluntarily extended, or is otherwise renegotiated by the retail seller and the facility operator. Once the contract expires or is voluntarily renegotiated, the facility operator must apply for certification from the Energy Commission on its own behalf, and the retail seller may not recertify the facility on the operator's behalf. For CPUC-ordered extensions, retail seller certification may continue until the extension expires.

The Energy Commission will review the application to determine eligibility as a Renewable Supplier Eligible for the RPS or as a Renewable Supplier Eligible for the RPS and SEPs and will notify applicants once a determination of eligibility is made. Facilities ~~that are~~ certified by a retail seller will only be granted certification for the generation procured under contract by that retail seller. The facility operator must separately certify any facility capacity that is not subject to the retail seller's procurement contract but is procured to satisfy the RPS targets of another retail seller.

When a retail seller applies on a facility's behalf, the retail seller must furnish all required supplemental information.

Provisional or "pre" certification as an eligible renewable resource is available for applicants whose facilities are not yet online ~~or do not have a contract in place to sell their generation to a retail seller at the time of application~~. Applicants seeking pre-certification must complete CEC-RPS-1B. The information submitted by these applicants will be subject to further verification once the pre-certified facility comes online or secures a contract with a retail seller. Applicants must indicate their desire to be pre-certified on their completed CEC-RPS-1B form and must submit all required supplemental information, as described below, to the extent available. If the required supplemental information is not available at the time of pre-certification application because of the facility's stage of development ~~or contract negotiations~~, the applicant must explain this in its application and identify the missing information and the dates when this information is expected to be available. Facilities that are pre-certified must submit a complete and updated certification application (CEC-RPS-1A) with all required supplemental information and be certified as RPS or RPS and SEP eligible before any of its generation may be counted toward satisfying a retail seller's RPS procurement requirements.

The Energy Commission will make every effort to notify applicants ~~of their~~ if their facility is eligible for the RPS (or RPS and SEPs) ~~'s eligibility status~~ as soon as possible. For facilities that are not required to submit supplemental information as described below, the Energy Commission expects to review and process applications for certification and pre-certification within ten business days of their receipt, unless questions or concerns arise regarding the applications. If questions arise, the applicant will be contacted and may be asked to submit additional information. If the applicant does not respond within 60 days to a request for clarification or additional information regarding the application,

it will expire without approval and be returned. The applicant must submit a new application with complete information to reinstate the certification request. The Energy Commission recognizes that it may receive a large volume of applications at the onset of this program or when renewals are due (discussed later in this section) and that the 10-day goal may not be met.

The Energy Commission will notify applicants in writing of its determination on the application for certification. If the application for certification or pre-certification is approved, the Energy Commission will issue a certificate stating that the facility is certified or pre-certified as eligible for the RPS, or eligible for the RPS and SEPs, as appropriate. The certificate will list the Energy Commission-issued certification number for the facility as well as the size, fuel type and percentage of annual fossil fuel usage (if any), name, location, and owner/operator of the facility. The certificate will also indicate whether the facility was certified by the facility owner/operator or a retail seller on the owner/operator's behalf.

In addition, the certificate will identify any limits on certification or pre-certification. For example, a certificate issued for a facility that has been certified by a retail seller will indicate certification by the retail seller, rather than the facility operator, and will limit certification to the generation procured under contract by the retail seller. ~~A certificate issued for a facility that produces (or will produce) electricity that is eligible only for RPS baseline or baseline adjustment will indicate certification for this purpose only. A certificate issued for a facility that has certified a portion of its capacity as incremental geothermal, and the remainder as geothermal, will identify the amount of capacity that falls into each category.~~

The Energy Commission encourages local publicly owned electric utilities to meet their RPS obligations through procurement from RPS-certified facilities. However, for a small hydro facility to become RPS-certified, it is only eligible if a retail seller owned or procured electricity from the facility as of December 31, 2005. ~~to become RPS-certified an out-of-state facility must have a guaranteed contact to sell its generation to a retail seller or the CA ISO.~~ By statute, the definition of a "retailer seller" excludes local publicly owned electric utilities. Consequently, ~~an out-of-state facility~~a small hydro facility that is owned by or is selling its generation exclusively to a local publicly owned electric utility as of December 31, 2005, is not RPS-eligible and may not apply for RPS certification, but may apply for pre-certification. If the Energy Commission determines that ~~an out-of-state~~the facility is eligible for pre-certification and is otherwise eligible for certification except that it ~~does not have a guaranteed contract with a retail seller or the CA ISO~~was owned by or under contract to a publicly owned utility, then the Energy Commission~~it~~ will note this determination in the pre-certification notification upon request by the applicant.

For applicants that must submit supplemental information, such as small hydroelectric, conduit hydroelectric, ~~incremental geothermal,~~ MSW/solid waste conversion, out-of-state, or repowered facilities, the Energy Commission must conduct an extensive review of the supplemental data. Review of these applications will require a minimum of 30

days from when the Energy Commission receives a complete application. The 30-day clock starts on the date a complete application is date-stamped by the Energy Commission as received. After completing its review, the Energy Commission will either notify the applicant of its proposed determination, or will request additional information from the applicant.

If the applicant disagrees ~~Applicants that disagree~~ with the Energy Commission's determination on a certification or pre-certification application, the applicant~~s~~ may petition the Renewables Committee and the Energy Commission for reconsideration as described in the *Overall Program Guidebook*. ~~As described in the *Overall Program Guidebook*, the Energy Commission expects to issue decisions on petitions for reconsideration within 45 days of receipt of a complete petition. The 45-day clock starts on the date a complete petition is date-stamped by the Energy Commission as received.~~

~~Certification and pre-certification must be renewed every two years to confirm that all certified renewable energy resources remain eligible for the RPS. This provision also applies to facilities certified by a retail seller. All facilities certified in year 2004 will be subject to recertification in January 2007, with facilities certified in year 2005 recertifying in January 2008, and so on. In addition, if a certified or pre-certified facility does not respond to the Energy Commission's request for an information update in a timely manner, it will risk losing its certification status.~~

The Energy Commission will post information on its Web site listing those facilities that are certified or pre-certified as eligible for the RPS or for the SEPs. Any changes in a facility's certification status will also be posted on the Energy Commission's Web site.

Consistent with the *Overall Program Guidebook,* the Energy Commission may conduct periodic or random reviews to verify records submitted for certification or pre-certification as a Renewable Supplier eligible for the RPS or for the RPS and SEPs. Further, the Energy Commission may conduct on-site audits and facility inspections to verify compliance with the requirements for certification or pre-certification. The Energy Commission may request additional information it deems necessary to monitor compliance with the certification requirements specified in this *Guidebook*.

To the extent that a retail seller applies for certification on a facility's behalf, the retail seller must secure and have available for inspection records to verify the application for certification or pre-certification. In addition, the retail seller must possess documents to verify a facility's compliance with the requirements of certification and pre-certification. These documents must be available to the Energy Commission upon request for auditing purposes.

B. Renewing Certification and Pre-Certification

Certification and pre-certification must be renewed at least every two years to confirm that facilities certified as renewable energy resources remain eligible for the RPS. In

addition, facilities may be required to renew their certification based on changes in the law after being notified in writing by the Energy Commission. These renewal requirements also apply to facilities certified by a retail seller. All facilities certified in year 2004 will be subject to re-certification in January 2007, with facilities certified in year 2005 re-certifying in January 2008, and so on. Applications to renew certification are due October 15 (or the next business day) each year, as applicable. In addition, if a certified or pre-certified facility does not respond to the Energy Commission's request for an information update in a timely manner, it will risk losing its certification status.

C. Amending Certification and Pre-Certification

Representatives of certified and pre-certified facilities must notify the Energy Commission promptly of any changes in information previously submitted in an application for certification or pre-certification. A facility failing to do so risks losing its certification status. Any changes to a certification or pre-certification application should be reported on an amended CEC-RPS-1 form (CEC-RPS-1A to amend certification and CEC-RPS-1B to amend pre-certification). For example, if a facility's annual fossil fuel use changes from the percentage identified in its previous application for certification, the facility must submit an amended application. The Energy Commission will review the amended application and notify the applicant of any modifications to their certification status.

Also, any changes to the status of a facility's certification will be posted on the Energy Commission's Web site and any affected retail seller contracting with that facility will be promptly notified.

D. Supplemental Information

The following supplemental instructions apply to applications for biomass, small and conduit hydroelectric, ~~incremental geothermal,~~ and MSW/solid waste conversion facilities. Supplemental instructions are also included for applicants seeking certification or pre-certification of repowered facilities and facilities located outside California. The information described below must be submitted as an attachment to the applicant's completed CEC-RPS-1A or CEC-RPS-1B form.

1. Supplemental Instructions for Biomass Facilities

Applicants for certification or pre-certification of biomass facilities ~~that commenced commercial operations on or after January 1, 2002,~~ must submit an attestation attached to the applicant's completed CEC-RPS-1A or CEC-RPS-1B- that they comply or will comply, in the case of pre-certification, with the biomass fuel requirements described above.

Additionally, Public Resources Code Section 25748 requires the Energy Commission to "~~...~~identify the types and quantities of biomass fuels used by facilities receiving funds pursuant to [Public Resources Code] Sections 25742 or 25743 and their impacts on improving air quality."~~.~~ To meet this requirement, biomass facility operators receiving SEPs or production incentives from the Energy Commission's Existing Renewable Facilities Program must submit an annual report to the Energy Commission describing fuel use as follows: tons of biomass by type of biomass, the air district from which the biomass originated if the fuel may have been open-field burned had it not been used for electricity production, and an attestation from the fuel supplier(s) that the biomass fuel continues to meet the RPS eligibility standards. The report is due to the Energy Commission on February 15th of each year to report on the biomass supply consumed in the previous calendar year.

2. Supplemental Instructions for Small Hydroelectric and Conduit Hydroelectric~~power~~ Facilities

~~To demonstrate that a hydropower facility built or repowered on or after September 12, 2002, is eligible for the RPS and SEPs, the applicant must provide the following water-use data and documentation attached to its completed CEC-RPS-1A (for certification) or CEC-RPS-1B (for pre-certification) form to substantiate its self-certification.~~
An applicant must provide supplemental information to substantiate its self-certification that a hydroelectric facility or conduit hydroelectric facility is eligible for the RPS or RPS and SEPs if the facility:

- Commenced commercial operations or was repowered on or after December 31, 2005.
- Was added to an existing water conduit.
- Was subject to efficiency improvements undertaken after Jan 1, 2003 that caused it to exceed 30 MW.

Supplemental water-use data and documentation described below must be attached to a completed CEC-RPS-1A (for certification) or CEC-RPS-1B (for pre-certification) form. These requirements apply to facilities located within California as well as those located out-of-state. Applicants possessing a permit or license from the State Water Resources Control Board (SWRCB) – or from another governing body, if located out-of-state – must submit a copy of the permit or license as well as the application for the permit or license.

1. Name of the Facility

2. Ownership of the Facility

3. Source Water Description

The application must identify the source of the water for the small hydro project. The source must be characterized as surface, groundwater, or other (for example, recycled water). For surface water sources, a map at a scale of 1:24,000 must be provided. The map should also identify the location of the diversion point and all other facilities. In addition, a written description of the location of the diversion should be provided (county and nearest city) as well as the name of the body of water at the point of diversion. For groundwater, the location of the well(s) and conveyance facilities shall be identified on a map of 1:24,000 scale. The applicant must also specify how much water is used for each of the identified beneficial uses.

4. Water Rights

   Both in-state and out-of-state applicants must clearly establish their right to divert water by submitting all necessary information as well as all appropriate licenses or permits. Within California, this information must establish the applicant's legal right to appropriate or divert water and identify the permitted volume and rate of water diversions, the place of diversion, and beneficial uses. This may be achieved through submittal of the appropriate SWRCB appropriation permit or license. Out-of-state facilities must provide similar documentation of an existing water right for the water diversion of the project.

5. Hydrologic Data

   The applicant must submit appropriation and/or diversion data for the last five years, or for the period of operation if the project has been operating less than five years. Information contained in any legally required reports may be used to meet this requirement if sufficient information is included in the report. For other projects, the hydrologic data submitted must be accompanied by a description of how the data is collected. Flow data shall be provided at the frequency set forth in the applicable water appropriation permit; for example, if the permit specifies minimum and maximum flows on a monthly basis that is the level of information necessary to be submitted.

6. Other Permits

   The applicant must submit all other applicable permits, including those permits and exemptions issued by the Federal Energy Regulatory Commission.

7. Environmental Documentation

   The applicant must submit copies of any permits, agreements, contracts, or other requirements affecting the operation of the facility, especially those that affect the volume and rate of flows.

8. Capacity

The applicant must demonstrate how the project will comply with the size limitations under the RPS. For repowering projects, the applicant must describe how capacity will be increased without an increase in the appropriation and/or diversion of water or in the change in the volume or rate of flows.

9. Efficiency Improvements

Applicants seeking certification of hydro facilities that exceed 30 MW due to efficiency improvements are required to provide the following:

a) Verifiable generation data for the 10 years preceding efficiency improvements (if the facility has not been operating 10 years, then provide data for the years it has been operational).

b) The actual or expected efficiency improvement and increase in production in MWh resulting from the efficiency improvement and a discussion of the methodology used to estimate increased energy production. If production data are available for years following the efficiency improvement, provide those data.

c) Evidence that the efficiency improvement from the facility resulted (or will result if the applicant is seeking pre-certification) from a capital expenditure in the project. The capital investment must exclude monies that would have been spent on operation and maintenance in the normal course of doing business. The applicant must provide a brief description of each capital investment made for project efficiency, including a discussion of the nature of the capital investments and how they resulted in efficiency improvements. In substantiating an application, the burden of proof will be on the applicant to submit compelling evidence to demonstrate the effect the capital investments to improve facility efficiency.

10. Conduit Hydroelectric Facilities

Applicants seeking certification of conduit hydroelectric facilities must submit documentation showing the facility has been issued a license by the Federal Energy Regulatory Commission as a conduit hydroelectric facility pursuant to Section 823a of Title 16 of the United States Code.

~~**Supplemental Instructions for Incremental Geothermal Facilities**~~

~~Applicants must provide the following information attached to the completed CEC-RPS-1A or CEC-RPS-1B form when applying for certification or pre-certification as an incremental geothermal facility. The following information must be presented for individual facilities and may not be aggregated for the entire steam field.~~

1.Evidence that the incremental generation from the facility resulted or will result from an eligible capital expenditure in a project completed after September 26, 1996. The capital investment must be in new or replaced capacity or steam production and must exclude monies that would have been spent on operation and maintenance in the normal course of doing business.

2.The expected production increase for each year in megawatt hours resulting from each capital improvement for as long as the increased production is expected to last.

3.All of the capital investments that pertain to each facility along with a brief description of each investment. The brief description must include the relationship between the capital investment and the production increase from the facility, including a discussion of the nature of the capital investments and how they resulted in the incremental generation.

4.A graph and table for each facility that shows the historical generation for each facility in megawatt hours. The graph and table should include a forecast of future generation from each facility based on the capital investments along with a forecast of generation without the capital investments. This information should provide the Energy Commission with an estimate of future increased production based on the capital improvements.

5.A discussion of how and why capital improvements are assigned to a particular generating facility.

6.A discussion of the sustainability of increased production from the facility. The discussion should show how the capital investment is consistent with, and protective of, the long-term preservation of the geothermal resource and also demonstrate that increased production from the facility in the short-term is not overdrawing the resource and leading to overall diminished production in the long-term.

7.A discussion of the methodology used by the applicant to estimate, forecast, and measure increased generation from each capital improvement.

In substantiating a claim of incremental geothermal production, the burden of proof will be on the applicant for the geothermal facility to submit compelling evidence demonstrating the effect that capital expenditures have had on production. As applicable, applicants also have the responsibility of properly allocating any increase among different generating facilities in the same steamfield.

In addition, all data submitted to substantiate a claim are expected to be public, although the Energy Commission is interested only in data with a direct bearing on the claim. For example, although information on capital investments and the resulting production increases is expected to be submitted publicly, the Energy Commission has

~~no interest in any proprietary underlying economic analyses that may have led to the decision to make such investment.~~

3. Supplemental Instructions for Municipal Solid Waste Conversion Facilities

Applicants for certification or pre-certification of solid waste conversion facilities must provide copies of permits issued by the California Integrated Waste Management Board (CIWMB) attached to the completed CEC-RPS-1A or CEC-RPS-1B ~~-~~form to verify compliance with the requirements specified above. The Energy Commission will verify compliance in consultation with the CIWMB and based on CIWMB's proposed or adopted regulations for solid waste conversion technologies as set forth in Title 14, California Code of Regulations, Division 7, Chapter 3, Article 6.0, commencing with Section 17400. CIWMB is considering regulations for this purpose ~~These regulations are being adopted~~ pursuant to Assembly Bill 2770 (Mathews, Chapter 704, Statutes of 2002), which establishes requirements for solid waste conversion technologies that mirror the requirements for these technologies found in Public Resources Code Section 25741, subdivision (b)(3)~~(a)(3)~~. The ~~proposed~~ regulations being considered are part of CIWMB's Transfer/Processing Operations and Facilities Regulatory Requirements and will require facilities using solid waste conversion technologies to obtain a Conversion Technology Facility Permit. Pending the adoption of these ~~proposed~~ regulations, the CIWMB may permit facilities using solid waste conversion technologies on a case-by-case basis pursuant to its existing regulations for the Transfer/Processing Operations and Facilities Regulatory Requirements.

To become certified as a renewable energy resource eligible for RPS (and SEPs), an applicant for a solid waste conversion facility must submit to the Energy Commission a copy of its Conversion Technology Facility Permit approved by the CIWMB. In the event that CIWMB's regulations for solid waste conversion technologies are not adopted at the time the facility seeks RPS certification, the facility must request and obtain from CIWMB a Solid Waste Facility Permit under CIWMB's existing regulations for the Transfer/Processing Operations and Facilities Regulatory Requirements. The Energy Commission will confirm that the permit is approved, active, and applicable to the facility seeking RPS certification. These permits must demonstrate the following:

1. The facility is using only a "gasification" conversion technology, as defined in Public Resources Code Section 40117.

2. The facility accepts and processes "solid waste" as defined in Public Resources Code Section 40191 and is not limited to receiving and processing "source separated" waste as defined in Title 14, California Code of Regulations, Section 17402.5(b)(4).

3. The facility processes solid waste from which, to the maximum extent feasible, all recyclable materials and marketable green waste compostable materials have been removed prior to the solid waste conversion process.

In addition, an applicant must certify to the Energy Commission the following:

1. All recyclable materials and marketable green waste compostable materials that have been removed from solid waste delivered to the facility are recycled or composted.

2. Any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting. For purposes of this certification, "local agency" means any city, county, or special district, or subdivision thereof, that is authorized to provide solid waste handling services.

To become pre-certified as RPS and SEP eligible, the applicant must submit to the Energy Commission the information required to receive a Conversion Technology Facility Permit from CIWMB. In the event CIWMB's regulations for solid waste conversion technologies have not been adopted at that time, then the applicant must submit to the Energy Commission the information required to receive a Solid Waste Facility Permit. This information is identified in Title 14, California Code of Regulations, Sections 18221.5 and 18221.6. The Energy Commission will review this information in consultation with the CIWMB to determine if the information is complete and satisfies the requirements specified in Public Resources Code Section 25741(a)(3).

If a pre-certified applicant does not obtain a Conversion Technology Facility Permit from CIWMB by the time the project commences commercial operation, or if it is denied approval for a permit, the Energy Commission will revoke the applicant's pre-certification.

4. Supplemental Instructions for Out-of-State Facilities

All out-of-state facilities must provide supplemental information when applying for certification as RPS-eligible. Further reporting requirements apply to facilities that commenced commercial operations before January 1, 2005, as described below.

Out-of-state facilities seeking certification as RPS-eligible must provide their NERC identification (the Source point name) and the control area to which the facility is connected in a completed CEC-RPS-1 form. The NERC identification and control area is required to receive certification that a facility located outside California is eligible for California's RPS. This requirement does not apply, however, to a facility that is:
1) exclusively serving retail sellers subject to Public Utilities Code Section 399.17, or
2) seeking pre-certification and is not yet on-line.

All out-of-state ~~Out-of-state~~ facilities seeking certification as RPS-eligible ~~for RPS and SEPs~~ must submit the following additional information with a completed CEC-RPS-1 form.

1. Impact on California Environmental Quality Standards: The applicant must provide a) a comprehensive list and description of all California environmental quality laws, ordinances, regulations, and standards (collectively referred to as "LORS") that may be directly or indirectly impacted by the facility's development or operation, and b) an assessment as to whether the facility's development or operation will cause or contribute to a violation of any of these LORS.

   At a minimum, the LORS described shall address the following environmental areas consistent with Appendix B, Section (g), of the Energy Commission's regulations for power plant certification, Title 20, California Code of Regulations, Sections 1701, et seq:

   - Cultural Resources
   - Land Use
   - Traffic and Transportation
   - Visual Resources
   - Socioeconomics
   - Air Quality
   - Public Health
   - Hazardous Materials Handling
   - Workers' Safety
   - Waste Management
   - Biological Resources
   - Water Resources
   - Agriculture and Soil
   - Paleontologic Resources
   - Geological Hazards and Resources
   - Transmission System Safety and Nuisance

   The applicable LORS for a given facility will vary depending on the facility's location, since the LORS across California vary. For example, the air quality standards in Southern California may differ from the air quality standards in Northern California.

   If an out-of-state facility commenced commercial operations before January 1, 2005, the applicant may qualify for RPS-certification if either: 1) the facility was part of a retail seller's baseline, or 2) the facility produces incremental generation due to project expansion or repowering. The supplemental information needed for each case is described below.

      1. Baseline: If an out-of-state facility commenced commercial operations before January 1, 2005 the applicant must identify the retail seller that procured

electricity from the facility, the baseline year, and the amount sold to the retail seller.

2. Incremental generation: The Energy Commission may certify incremental generation from out-of-state facilities as RPS-eligible if it finds that the incremental generation exceeds the project's historical production. The methodology for quantifying incremental generation is described in the "Generation Tracking System" section of this Guidebook. The applicant must provide the following information:

- For small hydro facilities, the applicant must provide verifiable generation data for the 10 years preceding project expansion or repowering. If the project has not been operational for 10 years, then provide generation data on all previous years to date. The applicant must also provide the information described in "Supplemental Instructions for Hydropower Facilities."

- For all RPS-eligible technologies except small hydro, the applicant must provide data on annual generation for the 36 months preceding the project expansion or repowering (for example, if the project expansion comes on-line January 1, 2007, then generation data must be provided from January 1, 2004 through 2006). If the project has not been operational for 36 months, then provide generation data for all previous months to date.

- All applicants seeking certification of incremental generation must provide evidence that the incremental generation from the facility resulted (or will result if the applicant is seeking pre-certification) from a capital expenditure in the project. This information is needed to verify that the incremental production is not a result of weather fluctuations or some other recurring or random event. The capital investment must exclude monies that would have been spent on operation and maintenance in the normal course of doing business. The applicant must provide a brief description of each capital investment made for project expansion or repowering, including a discussion of the nature of the capital investments and how they resulted in the incremental generation. In substantiating an application to certify incremental production, the burden of proof will be on the applicant to submit compelling evidence to demonstrate the effect that capital expenditures had on production.

All data submitted are expected to be public. However, the Energy Commission is interested only in data with a direct bearing on the application. For example, although information on capital investments and the resulting production increases is expected to be submitted publicly, the Energy Commission has no interest in any proprietary underlying economic analyses that may have led to the decision to make such investment.

2. Out-of-Country Facilities: In addition to the above information, an applicant for a facility located outside the United States must provide all of the following:

   - A comprehensive list and description of all California environmental quality LORS that would apply to the facility if the facility were located within California.

   - An assessment as to whether the facility's development or operation will cause or contribute to a violation of any of these LORS.

   - An explanation as to how the facility's developer and/or operator will meet these LORS in developing or operating the facility, including whether the developer and/or operator will secure and put in place mitigation measures to ensure that these LORS are complied with.

5. Supplemental Instructions for Repowered Facilities

To apply for certification or pre-certification as a repowered facility, an applicant must submit a completed CEC-RPS-1A or CEC-RPS-1B form, along with documentation confirming the replacement of the facility's prime generating equipment and the capital investments made to repower the facility as well as the value of those investments.

1. Prime Generating Equipment: The applicant must document that the facility's prime generating equipment is new and that the repowered facility re-entered commercial operations on or after January 1, ~~2002~~2005.

   - The "prime generating equipment" for each renewable resource is defined as follows:

     -Wind: the entire wind turbine, including the generator, gearbox (if any), nacelle, and blades.

     -Biomass: the entire boiler. Stoker boilers may be replaced with boilers using improved stoker technology or fluidized bed technology.

     -Geothermal: the entire steam generator, including the turbine rotors, shaft, stationary blades, and any gear assemblies.

     -Small hydroelectric: the entire turbine and structures supporting the turbine.

     -Solid waste conversion: the entire gasifier (gasifying equipment) and combustion turbine.

     -Landfill gas: the entire internal combustion engine or combustion turbine as applicable.

- Digester gas: the entire digester unit and internal combustion engine or combustion turbine as applicable.

- Solar thermal: the entire steam turbine.

- All prime generating equipment at the facility must be replaced with new equipment for the facility to qualify as a repowered facility. For example, a 25-MW wind facility consisting of 50 separate wind turbines must at a minimum replace each of the 50 wind turbines with new turbines of like or greater capacity for the entire 25-MW facility to qualify as a repowered facility. The Energy Commission recognizes that a wind facility owner may want or need to repower only a portion of the turbines owned at a site and does not exclude that option. In the event that a generator is interested in repowering a portion of a site, then it will need to re-certify ~~or re-register~~ the remaining portion of the site that is not being repowered.

2. Capital Investments: The applicant must document that capital investments were made not more than two years prior to the date that the facility re-entered commercial operations. Expenses are only applicable on that portion of the facility that contributes directly to the production of electricity.

   - Electrical Generators and/or Fuel Processing and Delivery Equipment: It is generally not necessary for a facility to replace its existing electrical generators or fuel processing and delivery equipment because replacing this equipment will produce little or no improvement to the facility's efficiency and, therefore, does not warrant the additional expense. Exceptions are cases in which the electrical generator is an integral part of the prime generating equipment, such as for wind facilities, or where the fuel processing and delivery equipment is an integral part of the prime generating equipment via the fuel conversion process, such as for solid waste conversion facilities and digester gas facilities. The facility's environmental control equipment, such air pollution control equipment, would not be considered because such equipment does not contribute directly to the production of electricity.

   - Any associated process control equipment and structures used for structural support of the prime generating equipment, electrical generators, fuel processing and delivery equipment, and associated process control equipment, as appropriate, would also fall into this category and are generally not necessary to replace.

   The applicant must provide documentation, such as invoice receipts, verifying the replacement of the old equipment, as well as other components of the technology relevant to the repowering application. The Energy Commission will confirm that the equipment listed is appropriate for certification as a repowered facility.

   The applicant must document the value of the capital investments made to the facility and the total value of the repowered facility. The value of the capital

investments must equal at least 80 percent of the total value of the repowered facility.

The “repowered facility” is defined as all of the new and/or existing prime generating equipment, electrical generators, fuel processing and delivery equipment, and any associated process control equipment and structures at the facility. The land on which the facility sits will not be considered part of the repowered facility for purposes of determining the 80 percent threshold. Similarly, intangibles such as the value of a facility’s power purchase contract or its goodwill will not be considered part of the repowered facility.

The applicant may show that it has met the 80 percent threshold by submitting either tax records or an assessment of the “replacement value” of the facility along with documentation of the cost of the new equipment. The applicant must notify the Energy Commission which method it is using and provide the appropriate information as described below.

a. Tax Records Methodology:

   The applicant must submit to the Energy Commission all relevant tax records needed to demonstrate that the capital investments made to repower the facility are equal to at least 80 percent of the value of the repowered facility.

   ~~1)~~• The applicant must document the value of the capital investments and the year the investments were made. In this case, the value of capital investments is the original tax “basis” declared to the Internal Revenue Service to calculate depreciation. The tax basis should reflect the value of the equipment the applicant has attested to purchasing. The tax basis is generally what a business pays for an item to be depreciated.

   ~~2)~~• The applicant must document the value of the repowered facility. In this case, the value of the repowered facility is based on the sum of the tax basis declared for all of the equipment and structures in the repowered facility as of the year the facility is repowered. For new equipment and structures, the value of the repowered facility is the original tax basis; for existing equipment and structures, the value of the repowered facility is the tax basis as adjusted for depreciation. For facilities financed using a sale/lease-back or similar structure, the original tax basis of the equipment and structures for both the lessor and lessee will be considered.

   ~~3)~~• The applicant must divide the total value of capital investments by the total value of the repowered facility. This calculation must show that the investment is equal to or greater than 80 percent of the total value of the facility for it to qualify as repowered.

b. Replacement Value Methodology:

This alternative approach may make it more difficult for a facility to meet the 80 percent repowering threshold but is a reasonable alternative for parties who are unable or unwilling to secure the necessary tax records to use the adjusted tax basis approach.

~~1)~~• The applicant must document the value of the equipment replaced in the facility. The replacement cost of new equipment is based on the equipment's purchase price and, consequently, is the same value when compared to the adjusted tax basis approach.

~~2)~~• The applicant must submit an independent evaluation of the replacement cost of existing, unreplaced equipment ("retained equipment"). The evaluation should be an estimate of the capital costs that would have to be incurred to replace the retained equipment. This estimate must be provided by an accountant in good standing with the American Institute of Certified Public Accountants or a member in good standing and certified as an Internal Auditor with the Institute of Internal Audits.

~~3)~~• The applicant must divide the total value of capital investments by the sum of the replacement cost of the new equipment and the independent estimate of the replacement cost of the retained equipment. This calculation must show that the investment is equal to or greater than 80 percent of the total value of the facility for it to qualify as repowered.

~~C.~~ Registration as Renewable Only (not RPS eligible)~~~~

~~Applicants representing facilities that do not meet the RPS or SEP eligibility requirements may apply to the Energy Commission for "registration" as a Renewable Supplier. To qualify for registration as a Renewable Supplier, a facility must satisfy the following requirements:~~

~~1.The facility must use one or more of the following energy sources, as defined in the *Overall Program Guidebook*, to generate electricity: biomass, biodiesel, fuel cells using renewable fuels, digester gas, geothermal, landfill gas, municipal solid waste, ocean wave, ocean thermal, tidal current, photovoltaic, small hydroelectric (30 megawatts or less), solar thermal, or wind.~~

~~2.The facility must specify the type and percentage of any fossil fuel used in the facility.~~

~~Applicants must submit a completed form CEC-1038E-1, Registration Form for Renewable Suppliers, to the Energy Commission.~~

~~The Energy Commission expects to review and process complete applications for registration within 15 business days of their receipt, unless questions or concerns arise regarding the applications. If questions arise, the Energy Commission will contact the applicant for additional information. Otherwise, the Energy Commission will notify applicants in writing once it determines registration eligibility.~~

~~Once the Energy Commission approves an application for registration, the Energy Commission will issue a certificate stating that the facility is a registered Renewable Supplier, along with a supplier number to be used in all subsequent transactions. The certificate will also specify the amount of fossil fuel, if any, used by the facility.~~

~~Registration as a Renewable Supplier does **NOT** imply Energy Commission endorsement or verification of renewable status. Registration as a Renewable Supplier merely indicates that the applicant has certified under penalty of perjury that its facility meets the registration requirements of a Renewable Supplier and has obtained an identification number from the Energy Commission.~~

IV. ~~——~~Generation Tracking System

The Energy Commission is responsible for developing a tracking system to verify compliance with the RPS. ~~Pursuant to SB 1078, t~~The Energy Commission is required to:

> Design and implement an accounting system to verify compliance with the renewables portfolio standard by retail sellers, to ensure that renewable energy output is counted only once for the purpose of meeting the renewables portfolio standard of this state or any other state, and for verifying retail product claims in this state or any other state. In establishing the guidelines governing this system, the Energy Commission shall collect data from electricity market participants that it deems necessary to verify compliance of retail sellers, in accordance with the requirements of this article and the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code). In seeking data from electrical corporations, the Energy Commission shall request data from the CPUC.

Similarly, the Energy Commission is required to design and implement an accounting system to track RECs that are certified as produced by RPS-eligible resources. The tracking system will be used to verify compliance with the RPS program. The CPUC may authorize the use of RECs to satisfy the requirements of the RPS, and may limit the quantity that may be procured unbundled from the underlying electricity generation by any retail seller to satisfy its RPS requirements. RECs may not be used to satisfy RPS procurement requirements, however, until such rules are established and not until the Energy Commission and the CPUC conclude that the Energy Commission's tracking system is operational.

The Energy Commission is developing an electronic tracking system to meet its tracking requirements, including the tracking of RECs. ~~this requirement and will use an interim generation tracking system until the electronic system is operational.~~ Once its~~the~~ long-term, electronic tracking system referred to as the "Western Renewable Energy Generation Information System" (WREGIS) is in place and operational, the Energy Commission will require renewable suppliers and retail sellers to participate in the WREGIS as part of RPS compliance. WREGIS will issue a REC, termed a WREGIS Certificate, for each reported megawatt-hour of eligible generation.

The Energy Commission will use an interim generation tracking system until the electronic system is operational. In the interim, the Energy Commission staff culls data from various self-reported sources to verify procurement.

A. Reports to the Energy Commission

Retail sellers must report annually to the Energy Commission on the amount of RPS-eligible electricity they procure per facility, called a "specific purchase." —Using the CEC-RPS-Track form, retail sellers must report the amount of energy they procured per month from each RPS-eligible facility, various identification numbers for each facility, and how the retail seller intends to count the procurement (i.e. whether to count it as incremental or baseline procurement). The CEC-RPS-Track form must be executed by an authorized agent of the retail seller who can attest that the specific purchases reported on the form were sold once and only once to retail consumers. This information is due to the Energy Commission on May 1 (or the next business day) of each year until WREGIS is operational. Once WREGIS is operational, this reporting requirement is expected to be satisfied with reports generated through WREGIS. The CEC-RPS-Track form and instructions are provided in Appendix A.

A facility that certifies as RPS or RPS and SEP eligible with the Energy Commission must annually submit data on its monthly generation, including any generation sold to an entity that does not qualify as a retail seller pursuant to Public Utilities Code Section 399.12, Subdivision (c). These data must be reported on the CEC-RPS-GEN by May 1 (or the next business day) of each year and indicate if the generation is restricted to counting towards the baseline/adjusting the baseline. To verify generation, the facility must submit monthly payment statements from the retail seller as an attachment to the form showing the amount of energy procured from the facility. If the facility is serving an entity that does not qualify as a retail seller pursuant to Public Utilities Code Section 399.12, Subdivision (c), and is participating in the Energy Commission's RPS-tracking system, then the verification may be from that entity. The Energy Commission intends to simplify program implementation by using the retail seller's payment statement to serve as the verification rather than allowing alternate sources of data. The facility should strike out any price or other data on the statement that it does not want to make publicly available. Once WREGIS is operational, this reporting requirement is expected to be satisfied with reports generated through WREGIS system. The CEC-RPS-Gen form and instructions are provided in Appendix A.

For cases in which the retail seller certifies a facility on the facility's behalf, the retail seller is responsible for reporting the generation data for the facilities it certifies. This reporting requirement will be satisfied through the CEC-RPS-Track form until WREGIS is operational, and retail sellers do not need to file separate CEC-RPS-GEN forms for the facilities they certify. Also, since the retail seller is providing the data, the retail seller does not need to separately provide third party verification of the generation.

In addition, a facility, or a retail seller on the facility's behalf, must submit documentation verifying compliance with the NERC tag requirements (described under "Delivery Requirements" in the "Eligibility of Out-of-State Facilities" section). This documentation is required annually beginning in 2005, and is due to the Energy Commission by May 1 (or the next business day) each year. The Energy Commission intends to work with

industry to establish a standardized, annual summary report and a standardized format for supporting documentation.

If necessary, the Energy Commission will request that the CPUC direct the retail sellers to submit the CEC-RPS-Track form data and documentation showing compliance with the NERC tag requirement if the Energy Commission does not receive these data promptly.

B. Accounting for Out-of-State, Incremental ~~Geothermal~~ Generation

The incremental generation resulting from the expansion or repowering of an out-of-state facility that commences commercial operations prior to January 1, 2005, is eligible for the RPS. ~~In some cases, part of the capacity of a geothermal facility is certified as incremental geothermal, with the remainder certified as geothermal that is restricted to the baseline or adjusting the baseline.~~ To determine the amount of energy from a facility that qualifies as incremental ~~geothermal~~, the Energy Commission will first determine the historical baseline of the facility. For hydro-power facilities, the baseline is the annual average generation calculated from 10 years prior to project expansion or repowering. For all other technologies, the baseline is the average annual generation calculated from the 36 months prior to project expansion or repowering. If the project has not been operational for the specified time period (e.g. 10 years for hydro facilities), then the project must provide the annual average generation for its operation to date.

The Energy Commission will certify the facility's annual production net of the baseline calculated for that facility. For example, if the facility produces 250 MWh in 2008 and its baseline is 150 MWh, then 100 MWh generated from the facility are RPS-eligible.~~calculate the percent of incremental capacity relative to operational capacity and apply it to the facility's total energy generation. For example, if 12 MW is certified as incremental geothermal from a facility with 100 MW of operational capacity, then 12 percent of the monthly and annual generation will qualify as incremental geothermal energy.~~

C. Energy Commission RPS Verification Report

The Energy Commission intends to prepare an annual RPS Verification Report specifying the quantity of RPS-eligible energy each retail seller procured in the previous calendar year. This report will be transmitted to the CPUC and is intended to help the CPUC determine RPS procurement targets and evaluating retail sellers' RPS compliance. The Energy Commission will account for procurement ~~disaggregated by baseline and incremental procurement~~ consistent with the requirements of this *Guidebook* and applicable CPUC decisions. The Energy Commission anticipates

adopting the Verification Report for 2006 procurement and subsequent reports by the end of each calendar year.[12]

~~Although the first RPS Verification Report (February 2006) stated that the Energy Commission anticipated adopting subsequent Verification Reports by the end of each calendar year, the Energy Commission intends to accelerate the schedule by bifurcating the report.[13] By September of each year, the Energy Commission intends to adopt the following findings: verification that delivery requirements were met, verification of RPS eligibility, verification that the procurement was counted only once, allocation of procurement as eligible for the APT and IPT, and calculation of incremental geothermal energy generated. By the end of each calendar year, the Energy Commission anticipates separately reporting its findings on reconciling procurement and generation to verify that procurement does not exceed generation. This bifurcation and schedule will be readdressed once WREGIS is operational.~~

1. Verification of Delivery

As part of the RPS Verification Report, the Energy Commission will also verify compliance with delivery requirements for out-of-state facilities. The Energy Commission will annually verify that the delivery requirements were satisfied for the previous calendar year. ~~on a monthly (not daily or hourly) basis. This level of verification is consistent with the interim accounting system for generation and the CA ISO Participating Intermittent Renewable Projects program.~~

To verify deliveries from out-of-state facilities, the Energy Commission intends to compare the ~~monthly~~ generation procured from an RPS-eligible facility with the monthly NERC tag data for that facility on an annual basis. Procurement and deliveries must be reported annually but the data must show procurement and delivery per month for the entire calendar year. The Energy Commission will compare the total amount procured in the previous calendar year with the total amount delivered in the previous calendar year and the lesser of the two may be RPS-eligible procurement. ~~, with the lesser of the two considered to be eligible RPS procurement.~~ For example, if the annual ~~monthly~~ energy delivery shown on the NERC tags for a facility exceeds the annual ~~monthly~~ amount of energy procured, then the Energy Commission will count the amount procured as RPS-eligible procurement. Conversely, if the amount procured exceeds the annual ~~monthly~~ amount that was delivered as demonstrated by the NERC tags, the Energy Commission will assume some of the generation was delivered elsewhere and will only count as RPS-eligible the amount of procurement supported by the NERC tag data.

[12] The first Verification Report is publicly available: California Energy Commission, February 2006, *Renewables Portfolio Standard Procurement Verification Report*, Commission Report, CEC-300-2006-002-CMF.

[13] California Energy Commission, February 2006, *Renewables Portfolio Standard Procurement Verification Report*, Commission Report, CEC-300-2006-002-CMF.

2. Verification Methodology using the Interim Tracking System

As discussed above, the Energy Commission has developed an interim accounting system for use until WREGIS is operational. The Energy Commission will verify that the RPS procurement reported in the CEC-RPS-Track form is certified as RPS-eligible. Also, to the extent possible the Energy Commission will ensure that RPS-eligible energy procured by retail sellers is counted only once in California or any other state. In the interim until WREGIS is operational, the Energy Commission will conduct this verification by cross-checking RPS procurement with retail claims reported under the Energy Commission's Power Source Disclosure Program and other similar data.

The Energy Commission will apply statutory provisions and CPUC rules to report on the amount of RPS eligible procurement. ~~that is eligible toward the IPT and the APT. For incremental geothermal, the Energy Commission does not intend to allocate the amount of generation that is sold to separate parties if more than one retail seller procures from a facility (assuming the facility is part incremental and part baseline geothermal). The allocation of incremental geothermal and baseline geothermal procurement should be contractually determined and reported on the CEC-RPS-Track form. The Energy Commission intends to verify that the specific purchases of incremental geothermal procurement do not exceed the eligible amount generated.~~

The Energy Commission will verify the energy generation to the extent possible, and will verify that the amount of RPS-eligible procurement did not exceed the facility's total generation. As part of the interim tracking system, the Energy Commission will check that if two or more retail sellers procured energy from the same facility, the cumulative amount of energy procured does not exceed the facility's total generation. If procurement exceeds generation, the Energy Commission will report the discrepancies.

D. Accounting for Tradable Renewable Energy Credits

When WREGIS is determined to be operational and the CPUC allows the procurement of unbundled RECs for RPS compliance purposes, the Energy Commission will track tradable RECs. The electronic accounting system, WREGIS, is currently being developed to satisfy current RPS tracking requirements and will be capable of tracking unbundled RECs.

Any RECs procured to satisfy an RPS obligation must be "retired" such that the RECs may not be resold or used to meet any other regulatory requirement or any other market claim.

V. ——Publicly Owned Utilities

Publicly owned utilities serve over 25 percent of the state's electricity load, and as such they have an important role in California's efforts to meet its statewide RPS goals. Public Utilities Code Section 387, subdivision (a) states:

> Each governing body of a local publicly owned electric utility, as defined in Section 9604, shall be responsible for implementing and enforcing a renewables portfolio standard that recognizes the intent of the Legislature to encourage renewable resources, while taking into consideration the effect of the standard on rates, reliability, and financial resources and the goal of environmental improvement.

Since the California RPS was first created, publicly owned utilities have been required to report the following information to its customers:

1. Expenditures of public goods funds for eligible renewable energy resource development (program descriptions, expenditures, and expected or actual results)
2. Resource mix used to serve customers, by fuel type, (including the contribution of each eligible renewable energy resource as defined in Public Utilities Code Section 399.12)

The law as amended by SB 107 expands these requirements and now requires publicly owned utilities to report the above information to both its customers and the Energy Commission. The law also requires a publicly owned utility to report to its customers and the Energy Commission:

3. Its status in implementing a renewables portfolio standard.

The Energy Commission encourages publicly owned utilities to send this information by May 1 of each year (or the following business day). Receipt of the data by this date will allow for a full accounting of the publicly owned electric utilities' contributions towards meeting the statewide RPS goals and overall state progress. The Energy Commission requests that publicly owned utilities use the reporting format provided in Appendix A.

The law also establishes new provisions for publicly owned utilities that take effect if: 1) tradable REC sales are approved for retail sellers to use towards their RPS compliance, and 2) a publicly owned utility seeks to sell RECs for a retail seller to use towards RPS compliance. The law requires the Energy Commission to certify, for purposes of compliance with the RPS by a retail seller, the eligibility of tradable RECs that are created from electricity delivered to a publicly owned utility. The Energy Commission may certify as RPS-eligible tradable RECs associated with electricity delivered to a publicly owned utility only if the Energy Commission determines that the publicly owned utility:

- Is in compliance with the requirements of section 387 of the Public Utilities Code.

- Has established annual procurement targets comparable to an electric corporation, is procuring sufficient RPS-eligible resources to satisfy the targets, and will not fail to meet its targets in the event that the RECs are sold to another retail seller.

- Seeks certification of RECs associated with energy produced from facilities the Energy Commission has certified as eligible for the California RPS.

In making its determination to certify RECs from electricity delivered to a publicly owned utility, the Energy Commission will:

1. Verify that the publicly owned utility is in compliance with its RPS program and is satisfying its RPS targets as reported to the Energy Commission.

2. Verify that energy generation associated with the RECs is from an RPS-eligible facility,

3. Require that RECs be tracked through WREGIS. Any RECs procured by retail sellers must be RPS-eligible, tracked through WREGIS, and retired for RPS compliance. Consequently, any RECs sold by a publicly owned utility to retail sellers must also satisfy these criteria.

4. The quantity of RECs certified will not impede the publicly owned utility from meeting its RPS targets.

If a publicly owned utility anticipates seeking RPS-certification of tradable RECs, the utility must provide data to inform the Energy Commission's determination. The Energy Commission requests that such data be provided using the template provided in Appendix A. The Energy Commission will evaluate the quantity of tradable-RECs associated with RPS-eligible delivery to the publicly owned utility that it does NOT need to maintain compliance with its own RPS target. The Energy Commission will only certify tradable RECs for a quantity over and above any amount that may be needed to satisfy the publicly owned utility's own RPS targets.

Note that RECs will only be certified for generation from an RPS-certified facility that is also eligible to produce tradable RECs as described in "Eligibility of Tradable RECs." If the facility loses its RPS-certification status, any RECs produced after the facility becomes ineligible will not be RPS-certified. After evaluating the application to certify RECs, the Energy Commission may proceed to certify RECs under the process discussed in this Guidebook.

Public input is requested on the following:

The draft Guidebook establishes a process for the Energy Commission to certify tradable RECs as a prerequisite for retail sellers interested in procuring RECs from publicly owned utilities, in the event that tradable RECs are allowed

for RPS compliance. The *Guidebook* does not address the possible sale of RECs and electricity bundled together for sale to retail sellers from POUs. However, if POUs sell bundled RECs that they otherwise need to satisfy their RPS, then the state would make no net gain in its RPS-eligible retail sales.

- Should the process for the Energy Commission's certification of RECs sold by a POU to a retail seller to satisfy a retail seller's RPS targets be expanded to include certification of bundled RECs?

Appendix A - Forms

Please note that current versions of the forms (downloadable) are available on-line at: www.energy.ca.gov/portfolio/documents/index.html

NOTE: With the exception of the new form, CEC-RPS-POU, Reports by Publicly Owned Utilities, the forms need to be updated to reflect December 2006 draft changes.

- CEC-RPS-Track, Interim data collection from retail sellers
- CEC-RPS-GEN, Interim data collection from RPS-eligible facilities
- CEC-RPS-1A, Application for Certification, California Renewable Portfolio Standard Program
- CEC-RPS-1B, Application for Pre-Certification, California Renewable Portfolio Standard Program
- CEC-RPS-2, Utility Application for Certification of Renewable Facility, California Renewable Portfolio Standard Program
- CEC-RPS-POU, Reports by Publicly Owned Utilities

California Energy Commission

CEC-RPS-1A
Application for Certification
California Renewables Portfolio Standard Program

For certification, please fill out all applicable portions of application, sign, and submit completed form to:

California Energy Commission, Attn: RPS Certification
1516 Ninth Street, MS-45, Sacramento, CA 95814

Please also submit form electronically via e-mail to:
RPSTrack@energy.state.ca.us, subject line "RPS Certification"

To apply for pre-certification, use form CEC-RPS-1B

All data on this form is subject to public disclosure

Section I: Type of Certification Requested

*Choose **One***	☐ Eligible for California RPS
	☐ Eligible for California RPS plus Supplemental Energy Payments (SEPs)
*Choose **One***	☐ Certification ☐ Amended certification ☐ Renewal If this is an amendment or renewal, date of original certification (m/d/yyyy): _____ If an amendment, note certification number, if applicable. _____ ***Please note: Facility must be on line to qualify for certification. ~~To register as Renewable Only (not eligible for RPS or SEP), please use form CEC-1038-E1, available on line at: www.energy.ca.gov/renewables/documents~~***

Section II: Applicant Contact Information

Name: _____ Title: _____

Company: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ Fax: _____ E-Mail: _____

Person Completing Form (if different from Applicant Contact): _____

Section III: Facility Information

Name of Facility: _____

Location: City: _____ County: _____ State: _____

☐ Located within California ☐ Located outside of California

Telephone: _____ Fax: _____ E-Mail: _____

Owner Name: _____

Owner Address: _____

City: _____ State: _____ ZIP: _____

Owner Telephone: _____ Fax:_____ E-Mail: _____

Please specify any additional names this facility is or has been known by, including names the facility has used in the past, if known: _____

For example, the facility may have changed names or may be part of a group of facilities collectively known by one name.

ID#'s (if known): CEC-REP _____ CEC-RPS _____ CEC-Other _____

QFID _____ EIA _____ CA ISO _____ SO _____

Other (please explain) _____

CEC-REP *refers to the CEC ID# under the Renewable Energy Program.*

CEC-RPS *refers to the CEC ID# issued under the Renewables Portfolio Standard, if this application is an amendment or renewal.*

CEC-Other *refers to any other CEC ID# issued.*

QFID *refers to a unique identifier assigned to a Qualifying Facility by the retail seller contracting for power from the facility.*

EIA *refers to the number assigned by the Energy Information Administration that is used to report monthly generation data to the EIA.*

CAISO *refers to the number assigned to the facility by the California Independent System Operator.*

SO *refers to number assigned to the facility by another system operator, not the CA ISO.*

Location of WECC interconnection: _____

The WECC interconnection is the substation where radial lines from the facility interconnect/will interconnect to the WECC controlled transmission system.

Control area operator for facility: ☐ CA ISO ☐ Other (provide name): _____

Nameplate capacity of facility (in megawatts): _____

*Choose **One***	☐ Facility commenced commercial operations prior to January 1, 2002 (specify date): _____
	☐ New facility, commenced commercial operation after January 1, 2002 (specify date): _____
	☐ Repowered facility, re-entered commercial operation after January 1, 2002 (specify date): _____

Section IV: Eligibility for Supplemental Energy Payments

1. Is the output from this facility being sold under a long-term contract entered into prior to January 1, 2002 with a California retail seller that includes fixed energy or capacity payments?

   ☐ Yes ☐ No

   If yes: A. Date contract executed: _____

   B. Retail seller contracted with: _____

   C. Does the output from this facility meet the requirements in Public Utilities Code Section 399.6(c)(1)(C) as shown below? ☐ Yes ☐ No (*If yes, attach a detailed explanation. If no, facility is not eligible for SEPs)*

Public Utilities Code Section 399.6(c)(1)(C) – to be eligible for SEPs, <u>all</u> of the following must occur:

1) The facility's power purchase contract provides that all energy delivered and sold under the contract is paid at a price that does not exceed commission-approved short-run avoided cost of energy.

2) Either of the following:

a. The power purchase contract is amended to provide that the kWh used to determine the capacity payment in any time-of-delivery period in any month under the contract shall be equal to the actual kWh production, but no greater than the five-year average of the kWh delivered for the corresponding time-of-delivery period and month, in the years 1994 to 1998, inclusive.

b. If a facility's installed capacity as of December 31, 1998, is less than 75 percent of the nameplate capacity as stated in the power purchase contract, the power purchase contract is amended to provide that the kWh used to determine the capacity payment in any time-of-delivery period in any month under the contract shall be equal to the actual kWh production, but no greater than the product of the five-year average of the kWh delivered for the corresponding time-of-delivery period and month, in the years 1994 to 1998, inclusive, and the ratio of installed capacity as of December 31 of the previous year, but not to exceed contract nameplate capacity, to the installed capacity as of December 31, 1998.

3) *The Supplemental Energy Payments are payable only with respect to the kWh delivered in a particular month that exceeds the corresponding five-year average calculated pursuant to clause 2.*

2. Is the facility owned by a retail seller or local publicly-owned electric utility? ☐ Yes ☐ No
Retail seller-owned facilities are not eligible to receive SEPs, but may be eligible for the RPS.

3. Is the entire output of the facility intended to be used exclusively on-site (i.e. self generation)? ☐ Yes ☐ No
On-site generation is not eligible to receive SEPs.

4. Is the entire output of facility excluded from paying an applicable competitive transition charge? ☐Yes ☐No
If yes, facility is not eligible to receive SEPs.

Section V: Facility Fuel Type

5. Please indicate energy source used by the facility. For hybrid systems, indicate all energy sources used.

☐ Biodiesel *(complete Section VI, questions 7-11)*	☐ Landfill Gas *(skip to Section VII)*	☐ Ocean Wave *(skip to Section VII)*
☐ Biomass *(complete Section VI, questions 8-11)*	☐ Municipal Solid Waste, combustion *(complete Section VI, question 21)*	☐ Ocean Thermal *(skip to Section VII)*
☐ Digester Gas *(skip to Section VII)*	☐ Municipal Solid Waste, conversion *(complete Section VI, questions 21-23)*	☐ Wind *(skip to Section VII)*
☐ Fuel Cell *(skip to Section VII)*	☐ Photovoltaic *(skip to Section VII)*	
☐ Geothermal *(complete Section VI, questions 12-15)*	☐ Solar Thermal Electric *(skip to Section VII)*	☐ Hybrid System *(complete Section VI, questions 24-25)*
☐ Hydropower *(complete Section VI, questions 16-20)*	☐ Tidal Current *(skip to Section VII)*	

6. Does this facility use any fossil fuel for purposes of generating electricity? ☐ Yes ☐ No

If yes, please specify average annual percentage on a total heat input basis for the calendar year immediately prior to the date of application: _____

Facilities that use fossil fuel must complete Section VI, questions 24-25 for hybrid systems.

Section VI: Additional Required Information for Specific Fuel Types

Facilities using digester gas, fuel cell, landfill gas, photovoltaic, solar thermal, tidal current, ocean wave, ocean thermal, and wind technologies have no special fuel requirements. Applicants for facilities using these fuels or resources exclusively may skip to Section VII.

For Biodiesel Applicants

7. Source of biodiesel fuel

*Choose **One***	☐ Biodiesel derived from biomass fuel – answer questions 8-11.

	☐ Biodiesel derived from MSW conversion process – answer questions 21-23.

For Biomass Applicants

8. Did the facility commence commercial operations prior to January 1, 2002?

☐ *Yes, please note that facility is not eligible for SEPs* ☐ *No*

9. Indicate current source of biomass fuel supply *(check all that apply)*:

☐ Agricultural crops and agricultural wastes and residues.

☐ Solid waste materials - Includes waste pallets, crates, dunnage, manufacturing and construction wood wastes; landscape or right-of-way tree trimmings; mill residues resulting directly from milling of lumber; rangeland maintenance residues; and sludge derived from organic sludge.

☐ Wood and wood wastes from forest timbering operations, including forest fuel fire reduction, and forest stand improvement.

☐ Wood and wood wastes that meet all of the following requirements (if a facility uses wood and wood wastes and the applicant seeks certification as SEP-eligible, the fuel must meet these criteria):

1) Harvested pursuant to an approved timber harvest plan prepared in accordance with the Z'berg-Nejedly Forest Practice Act of 1973 (Ch. 8 (commencing with Sec. 4511), Pt. 2, Div. 4, Public Resources Code).
2) Harvested for the purpose of forest fire fuel reduction or forest stand improvement.
3) Do not transport or cause the transportation of species known to harbor insect or disease pests outside zones of infestation or current quarantine zones, as identified by the Department of Food and Agriculture or the Department of Forestry and Fire Protection, unless approved by those agencies.

Facilities using these biomass fuels are eligible for the RPS, regardless of the date they commenced commercial operations.

10. To be eligible for SEPs, an applicant for a "new" or "repowered" biomass facility must agree to use only eligible biomass fuel and to annually provide written attestations from its fuel supplier(s) documenting that the supplier(s) have delivered eligible biomass fuel to the facility. Applicant must also agree to provide documentation, or make documentation available upon request, to the Energy Commission verifying ongoing compliance with these requirements.

☐ Applicant acknowledges and agrees to comply with the above requirements as more fully described in the *Renewable Portfolio Standard Eligibility Guidebook*.

11. For biomass facility operators receiving SEPs only: You must submit an annual report to the Energy Commission describing fuel use as follows: tons of biomass by type of biomass, the air district from which the biomass originated if the fuel may have been open-field burned had it not been used for electricity production, and an attestation from the fuel supplier(s) that the biomass fuel continues to meet the RPS eligibility standards. The report is due to the Energy Commission on February 15th of each year to report on the biomass supply consumed in the previous calendar year.

☐ Applicant acknowledges and agrees to comply with the above requirements as more fully described in the *Renewable Portfolio Standard Eligibility Guidebook*.

For Geothermal Applicants

12. Date facility commenced commence commercial operations

*Choose **One***	☐ Prior to September 26, 1996 *Generation may be eligible for the RPS but only to establish or adjust a retail seller's baseline.*
	☐ Between September 26, 1996 and January 1, 2002 *Generation may be eligible for RPS but not for SEPs.*

	☐ On or after January 1, 2002 *Generation may be eligible for both RPS and SEPs.*

13. Are you applying for certification for incremental geothermal?

☐ Yes *(complete question 14)* ☐ No *(skip to Section VII)*

Incremental generation from geothermal facilities is eligible for the RPS but is limited to generation resulting from "eligible capital expenditures" as defined in the Renewables Portfolio Standard Eligibility Guidebook*. Incremental geothermal generation may be eligible for SEPs to the extent that the generation meets criteria for a "new" or "repowered" facility.*

14. Eligible capital expenditures

Choose all that apply	☐ The capital expenditure results in replaced generating equipment or increased steam converted to generation. ☐ The capital expenditure does not cause an increase in the decline rate of the reservoir. ☐ The capital project was completed after September 26, 1996. *Only capital expenditures that meet all of the above criteria are considered "eligible."*

15. Please attach the documentation specified in the section titled "Supplemental Instructions for Incremental Geothermal Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook.*

For Hydropower Applicants

16. Facility size

☐ Applicant certifies that total facility size, including any incremental additions to original facility, does not exceed 30 megawatts.

Only hydropower facilities 30 megawatts or less in size qualify for the RPS or RPS and SEPs.

17. Date facility commenced commercial operations (choose one)

☐ Facility commenced commercial operations prior to September 12, 2002 *(complete question 18)*
☐ Facility commenced commercial operations on or after Sept. 12, 2002 *(complete question 19)*
☐ Facility is "repowered" and re-entered commercial operation after September 12, 2002 *(complete questions 18-19)*

Generation may be eligible for RPS or RPS and SEPs

18. Was facility owned by, and/or its generation procured by, a retail seller as of September 12, 2002?

☐ Yes ☐ No

If yes, generation may be eligible only for purposes of establishing a retail seller's RPS baseline. Facility's generation may not be used for adjusting a retail seller's baseline or meeting a retail seller's annual procurement target.

19. "New" or "Repowered" Hydropower Facilities: please check all that apply:

Facility located within California	*Facility located outside California*
☐ The applicant has a permit or license from the State Water Resources Control Board (SWRCB) to appropriate water, which was issued before September 12, 2002. ☐ The applicant can operate its facility under its existing SWRCB permit or license. • *The facility does not require a new or revised permit from the SWRCB for a new appropriation of water.* • *The facility does not require a new permit or license from the SWRCB for a new diversion of water.*	☐ The applicant has a permit or license from the applicable governing body to appropriate water, which was issued before September 12, 2002. ☐ The applicant can operate its project under its existing government-issued permit or license. • *The facility does not require a new permit or license from any government body for a new appropriation of water.*

• *The facility will not require an increase in the volume or rate of water diverted that would require a new permit or license from the SWRCB.* ☐ The facility does not require an increase in the volume or rate of water diverted under an existing right, even if such a change would not require a water right permit or license from the SWRCB.	• *The facility does not require a new permit or license from any government body for a new diversion of water.* ☐ The facility does not require an increase in the volume or rate of water diverted under an existing right, even if such a change would not require a new permit or license from any government body.

20. Please attach the documentation specified in the section titled "Supplemental Instructions for Small Hydropower Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*

For Municipal Solid Waste Applicants

21. Type of MSW Facility

*Choose **One***	☐ MSW combustion facility that meets the following criteria *(skip to Section VII)* *Generation is eligible for the RPS only if the facility is located in Stanislaus County and commenced commercial operations prior to September 26, 1996. Applicant must attach documentation to this application demonstrating that the facility meets both of these requirements. Generation from MSW combustion facilities is only eligible to establish or adjust a retail seller's RPS baseline.* ☐ MSW conversion facility *(answer questions 22-23)* *Facility uses a non-combustion thermal process to convert MSW to a clean-burning fuel that is then used to generate electricity.*

22. MSW conversion facilities must meet **all** of the following criteria to be eligible for the RPS or RPS and SEPs. Please check all that apply:

☐ The technology does not use air or oxygen in the conversion process, except ambient air to maintain temperature control.

☐ The technology does not produce any discharges of air contaminants or emissions, including greenhouse gases as defined in Section 42801.1 of the Health and Safety Code.

☐ The technology does not produce any discharges to surface or groundwaters of the state.

☐ The technology does not produce any hazardous wastes.

☐ To the maximum extent feasible, the technology removes all recyclable materials and marketable green waste compostable materials from the solid waste stream before the conversion process and the owner or operator of the facility certifies that those materials will be recycled or composted.

☐ The facility at which the technology is used is in compliance with all applicable laws, regulations, and ordinances.

☐ The technology meets any other conditions established by the State Energy Resources Conservation and Development Commission.

☐ The facility certifies that any local agency sending solid waste to the facility diverted at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting.

☐ The facility certifies that any local agency sending solid waste to the facility is in compliance with Division 30 (Commencing with Section 4000), has reduced, recycled, or composted solid waste to the maximum extent feasible. (The California Integrated Waste Management Board must find that the facility has diverted at least 30

percent of all solid waste through source reduction, recycling, and composting.) Facilities must satisfy these criteria to be eligible for SEPs.

23. Please attach the documentation specified in the section entitled "Supplemental Instructions for Municipal Solid Waste Conversion Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*.

For Hybrid System Applicants

24. Type of Hybrid System:

*Choose **One***	☐ Pumped Storage Hydropower *(identify energy source used for pumping)* _____ *Must use a renewable energy source to be eligible for RPS or RPS and SEPs; **only the amount of energy dispatched to the transmission system is eligible.***
	☐ Other *(describe fuels used – attach additional sheets if necessary)* _____

25. For Hybrid Systems using fossil fuel (please select A **or** B)

☐ A. Facility commenced commercial operations or was repowered before January 1, 2002:

*If you checked "A", choose **one***	☐ Applicant attests that the percentage of fossil fuel used in the facility does not exceed 25 percent of the total annual energy input of the facility. *Facilities using fossil fuel that were operational or repowered prior to January 1, 2002 may use up to 25 percent fossil fuel and still have the total generation from their facility considered renewable and eligible for the RPS.* ☐ Percentage of fossil fuel used in the facility exceeds 25 percent of the total annual energy input of the facility. *Only the renewable portion of electricity production may qualify for the RPS, and only once an appropriate tracking system is developed to monitor such production.* ☐ Facility was developed and awarded a power purchase contract as a result of a retail seller Interim RPS procurement solicitation approved by the California Public Utilities Commission, and applicant attests that the facility uses no more than 25 *percent* fossil fuel annually on a total energy input basis. *Facilities developed and awarded power purchase contracts as a result of a retail seller's Interim RPS procurement solicitation and approved by the CPUC may use up to 25 percent fossil fuel and count 100 percent of the electricity generated as RPS-eligible.*

☐ B. Facility commenced commence commercial operation or was repowered on or AFTER January 1, 2002:

*If you checked "B", choose **one***	☐ Facility is certified as a Qualifying Small Power Production Facility (QF), and applicant attests that the facility satisfies the fossil fuel use limitations specified in PURPA. *Facilities certified as QFs under the federal Public Utilities Regulatory Policies Act may use up to 25 percent fossil fuel and count 100 percent of the electricity generated as RPS eligible provided the facility otherwise satisfies the applicable California RPS standards.* ☐ Facility is NOT certified as a Qualifying Small Power Production Facility but uses some percentage of fossil fuel. *Only the renewable portion of electricity production may qualify for the RPS, and only once an appropriate tracking system is developed to monitor such production.* ☐ Facility was developed and awarded a power purchase contract as a result of a retail seller's Interim RPS procurement solicitation approved by the California Public Utilities Commission, and applicant attests that the facility uses no more than 25 percent fossil fuel annually on a total energy input basis. *Facilities developed and awarded power purchase contracts as a result of a retail seller's Interim RPS procurement solicitation and approved by the CPUC may use up to 25 percent fossil fuel and count 100 percent of the electricity generated as RPS eligible.*

Section VII: Repowered Facility Information

26. Is applicant requesting certification for RPS and SEP eligibility for a repowered facility that re-entered commercial operations after January 1, 2002?

☐ Yes. Answer questions 27 and 28. ☐ No. Skip to Section VIII

27. Please indicate the method used to demonstrate compliance with the 80 percent threshold:

☐ Tax Records Methodology ☐ Replacement Value Methodology

Applicant must document the value of the capital investments made to the facility and the total value of the repowered facility, and the value of the capital investments must equal at least 80 percent of the total value of the repowered facility.

28. Generally describe the prime generating equipment replaced at the facility: _____

Please attach the documentation specified in the section titled "Supplemental Instructions for Repowered Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*.

The applicant must document that the facility's prime generating equipment is new. For a definition of each renewable resource's prime generating equipment, please see the Renewables Portfolio Standard Eligibility Guidebook*.*

Section VIII: Out-of-State Facility Information

29. Is the facility's first point of interconnection to the WECC transmission system located within California?

☐ Yes. Facility is considered an in-state facility for purposes of RPS and SEP eligibility. Skip to Section IX.

☐ No. Answer questions 30-34.

☐ Other. Check here if the facility exclusively serves retail sellers subject to Public Utilities Code Section 399.17. Skip to Section IX

30. Provide the facility NERC ID (the Source point name) _____

The NERC ID refers to the North American Electricity Reliability Council identification Source point name for this facility. The NERC ID is **required** to certify RPS eligibility of a facility that is located outside of California.

31. For RPS eligibility only, applicants for out-of-state facilities must submit documentation showing that the facility meets all of the following criteria (check all that apply):

☐ Facility has guaranteed contracts to sell its generation to a retail seller or the California Independent System Operator (CA ISO).

☐ Facility can demonstrate delivery of its generation to the in-state market hub/zone or in-state substation/node located within the CA ISO control area of the WECC transmission system (or located anywhere in California if applicable CPUC rules allow delivery outside CA ISO).

☐ Applicant agrees to participate in the Energy Commission's RPS tracking and verification system.

32. For SEP eligibility: Applicants for out-of-state facilities must submit documentation showing that their facility meets all of the following criteria (check all that apply, skip to question 33 if not seeking SEP eligibility).

☐ Facility is located within the United States.
Facility may not cause or contribute to any violation of a California environmental quality standard or requirement.

☐ Facility is located outside of the United States.
Facility must be developed and operated in a manner that is as protective of the environment as a similar facility located within California.

☐ Facility is located so that it is/will be connected to the WECC transmission system.

☐ Facility is developed with guaranteed contracts to sells its power to end use customers of California retail sellers during the period in which it will receive SEPs.

☐ Facility can demonstrate delivery of its generation to the in-state market hub/zone or in-state substation/node located within the CA ISO control area of the WECC transmission system (or located anywhere in California if applicable CPUC rules allow delivery outside CA ISO).

☐ Applicant agrees to participate in the Energy Commission's RPS tracking and verification system.

33. To be eligible solely for RPS or also for SEPs, an applicant for an out-of-state facility must agree to comply with the "Delivery Requirements" specified in the "Eligibility of Out-of-State Facilities" section of the *Renewables Portfolio Standard Eligibility Guidebook.*

☐ Applicant acknowledges and agrees to comply with the above requirements as more fully described in the *Renewables Portfolio Standard Eligibility Guidebook.*

34. Please attach the documentation specified in the section titled "Supplemental Instructions for Out-of-State Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*.

Section IX: General Information

The Energy Commission reserves the right to request additional information to confirm or clarify information provided in this application including any attachments.

The Energy Commission's Accounting Office or its authorized agents, in conjunction with Energy Commission technical staff, may audit any applicant to verify the accuracy of any information included as part of an application for RPS or RPS and SEP certification, pursuant to the *Overall Program Guidebook for the Renewable Energy Program*. As part of an audit, an applicant may be required to provide the Accounting Office or its authorized agents with any and all information and records necessary to verify the accuracy of any information included in the awardee's applications, invoices, or reports. An applicant may also be required to open its business records for on-site inspection and audit by the Accounting Office or its authorized agents for purposes of verifying the accuracy of any information included in the applicant's applications, invoices, and reports.

Certified facilities must notify the Energy Commission promptly of any changes in information previously submitted to the Energy Commission. A facility failing to do so risks losing its certification status. Any changes affecting the facility's certification status should be reported on an amended CEC-RPS-1A form. If there are any changes to the status of a facility's certification, the new information will be posted on the Energy Commission's Web site, and any affected retail seller contracting with that facility will be promptly notified.

Section X: Signature

I am an authorized officer of the above-noted facility owner or a retail seller contracting with the above noted facility owner and hereby submit this application on behalf of said facility owner for certification of the facility as a renewable facility eligible for California's RPS or certification as eligible for California's RPS and SEPs. I have read the above information as well as the *Renewables Portfolio Standard Eligibility Guidebook,* the *Overall Program Guidebook for the Renewable Energy Program,* and the *New Renewable Facilities Program Guidebook* and understand the provisions of these guidebooks and my responsibilities. I acknowledge that the receipt of any certification approval from the California Energy Commission is conditioned on the acceptance and satisfaction of all program requirements as set forth in the *Renewables Portfolio Standard Eligibility Guidebook* and the *Overall Program Guidebook for the Renewable Energy Program*. I declare under penalty of perjury that the information provided in this application and any attachments is true and correct to the best of my knowledge.

Applicant Name: _____

Applicant Title: _____

Signature: _____

Date signed: _____

REMINDER:
HAVE YOU INCLUDED
ALL NECESSARY ATTACHMENTS?

Supplemental Information is required for:
Biodiesel (New or Repowered)
Biomass (New or Repowered seeking SEP-eligibility)
Incremental Geothermal, Hydropower,
New or Repowered Municipal Solid Waste Conversion
Hybrids, Repowered Facilities, Out-of-State Facilities

California Energy Commission

CEC-RPS-1B
Application for Pre-Certification
California Renewables Portfolio Standard Program

For Pre-certification, please fill out all applicable portions of application, sign, and submit completed form to:

California Energy Commission, Attn: RPS Certification
1516 Ninth Street, MS-45, Sacramento, CA 95814

Please also submit form electronically via e-mail to:
RPSTrack@energy.state.ca.us, subject line "RPS Certification"

To apply for certification, use form CEC-RPS-1B

All data on this form is subject to public disclosure

Section I: Type of Pre-Certification Requested

Choose ***One***	☐ Eligible for California RPS
	☐ Eligible for California RPS plus Supplemental Energy Payments (SEPs)
Choose ***One***	☐ Pre-certification ☐ Amended pre-certification ☐ Renewal If this is an amendment or renewal, date of original certification (m/d/yyyy): _____ If an amendment, note pre-certification number, if applicable. _____ ***Please note: Pre-certification is available for facilities that are not on line or do not have power purchase contracts with a retail seller at the time of application. ~~To register as Renewable Only (not eligible for RPS or SEP), please use form CEC-1038-E1, available on-line at: www.energy.ca.gov/renewables/documents/index.html~~***

Section II: Applicant Contact Information

Name: _____ Title: _____

Company: _____

Address: _____

City: _____ State: _____ ZIP: _____

Telephone: _____ Fax: _____ E-Mail: _____

Person Completing Form (if different from Applicant Contact): _____

Section III: Facility Information

Name of Facility: _____

Location: City: _____ County: _____ State: _____

☐ Located within California ☐ Located outside of California

Telephone: _____ Fax: _____ E-Mail: _____

Owner Name: _____

Owner Address: _____

City: _____ State: _____ ZIP: _____

Owner Telephone: _____ Fax:_____ E-Mail: _____

Please specify any additional names this facility is or has been known by, including names the facility has used in the past, if known: _____

For example, the facility may have changed names or may be part of a group of facilities collectively known by one name.

ID#'s (if known): CEC-REP _____ CEC-RPS _____ CEC-Other _____

QFID _____ EIA _____ CA ISO _____ SO _____

Other (please explain) _____

***CEC-REP** refers to the CEC ID# under the Renewable Energy Program.*

***CEC-RPS** refers to the CEC ID# issued under the Renewables Portfolio Standard, if this application is an amendment or renewal.*

***CEC-Other** refers to any other CEC ID# issued.*

***QFID** refers to a unique identifier assigned to a Qualifying Facility by the retail seller contracting for power from the facility.*

***EIA** refers to the number assigned by the Energy Information Administration that is used to report monthly generation data to the EIA.*

***CAISO** refers to the number assigned to the facility by the California Independent System Operator.*

***SO** refers to number assigned to the facility by another system operator, not the CA ISO.*

Location of WECC interconnection: _____

The WECC interconnection is the substation where radial lines from the facility interconnect/will interconnect to the WECC controlled transmission system.

Control area operator for facility: ☐ CA ISO ☐ Other (provide name): _____

Nameplate capacity of facility (in megawatts): _____

*Choose **One***	☐ Facility commenced commercial operations prior to January 1, 2002 (specify date): _____
	☐ New facility, commenced/will commence commercial operation after January 1, 2002 (specify date/expected date): _____
	☐ Repowered facility, re-entered/will re-enter commercial operation after January 1, 2002 (specify date/expected date): _____

Section IV: Pre-Certification Eligibility for Supplemental Energy Payments

1. Is the output from this facility being sold under a long-term contract entered into prior to January 1, 2002 with a California retail seller that includes fixed energy or capacity payments?

   ☐ Yes ☐ No

   If yes: A. Date contract executed: _____

   B. Retail seller contracted with: _____

   C. Does the output from this facility meet the requirements in Public Utilities Code Section 399.6(c)(1)(C) as shown below? ☐ Yes ☐ No (*If yes, attach a detailed explanation. If no, facility is not eligible for SEPs)*

Public Utilities Code Section 399.6(c)(1)(C) – to be eligible for SEPs, <u>all</u> of the following must occur:

1) The facility's power purchase contract provides that all energy delivered and sold under the contract is paid at a price that

does not exceed commission-approved short-run avoided cost of energy.

2) *Either of the following:*
   a. *The power purchase contract is amended to provide that the kWh used to determine the capacity payment in any time-of-delivery period in any month under the contract shall be equal to the actual kWh production, but no greater than the five-year average of the kWh delivered for the corresponding time-of-delivery period and month, in the years 1994 to 1998, inclusive.*
   b. *If a facility's installed capacity as of December 31, 1998, is less than 75 percent of the nameplate capacity as stated in the power purchase contract, the power purchase contract is amended to provide that the kWh used to determine the capacity payment in any time-of-delivery period in any month under the contract shall be equal to the actual kWh production, but no greater than the product of the five-year average of the kWh delivered for the corresponding time-of-delivery period and month, in the years 1994 to 1998, inclusive, and the ratio of installed capacity as of December 31 of the previous year, but not to exceed contract nameplate capacity, to the installed capacity as of December 31, 1998.*

3) *The Supplemental Energy Payments are payable only with respect to the kWh delivered in a particular month that exceeds the corresponding five-year average calculated pursuant to clause 2.*

2. Is/will the facility owned by a retail seller or local publicly-owned electric utility? ☐ Yes ☐ No
   Retail seller-owned facilities are not eligible to receive SEPs, but may be eligible for the RPS.

3. Is/will the entire output of the facility intended to be used exclusively on-site (i.e. self generation)? ☐ Yes ☐ No
   On-site generation is not eligible to receive SEPs.

4. Is/will the entire output of facility excluded from paying an applicable competitive transition charge?
   ☐ Yes ☐ No *If yes, facility is not eligible to receive SEPs.*

Section V: Pre-Certification Facility Fuel Type

5. Please indicate energy source that is or will be used by the facility. For hybrid systems, indicate all energy sources used.

☐ Biodiesel *(complete Section VI, questions 7-11)*	☐ Landfill Gas *(skip to Section VII)*	☐ Ocean Wave *(skip to Section VII)*
☐ Biomass *(complete Section VI, questions 8-11)*	☐ Municipal Solid Waste, combustion *(complete Section VI, question 21)*	☐ Ocean Thermal *(skip to Section VII)*
☐ Digester Gas *(skip to Section VII)*	☐ Municipal Solid Waste, conversion *(complete Section VI, questions 21-23)*	☐ Wind *(skip to Section VII)*
☐ Fuel Cell *(skip to Section VII)*	☐ Photovoltaic *(skip to Section VII)*	
☐ Geothermal *(complete Section VI, questions 12-15)*	☐ Solar Thermal Electric *(skip to Section VII)*	☐ Hybrid System *(complete Section VI, questions 24-25)*
☐ Hydropower *(complete Section VI, questions 16-20)*	☐ Tidal Current *(skip to Section VII)*	

6. Does/will this facility use any fossil fuel? ☐ Yes ☐ No

If yes, please specify average annual percentage on a total heat input basis. If the facility has been operational, please provide the average annual percentage on a total heat input basis for the calendar year immediately prior to the date of application: _____

Facilities that use fossil fuel must complete Section VI, questions 24-25 for hybrid systems.

Section VI: Pre-Certification Additional Required Information for Specific Fuel Types

Facilities using digester gas, fuel cell, landfill gas, photovoltaic, solar thermal, tidal current, ocean wave, ocean thermal, and wind technologies have no special fuel requirements. Applicants for facilities using these fuels or resources exclusively may skip to Section VII.

For Biodiesel Applicants

7. Source of biodiesel fuel

*Choose **One***	☐ Biodiesel derived from biomass fuel – answer questions 8-11. ☐ Biodiesel derived from MSW conversion process – answer questions 21-23.

For Biomass Applicants

8. Did the facility commence commercial operations prior to January 1, 2002?

   ☐ *Yes, please note that facility is not eligible for SEPs* ☐ *No*

9. Indicate current/anticipated source of biomass fuel supply *(check all that apply)*:

   ☐ Agricultural crops and agricultural wastes and residues.

   ☐ Solid waste materials - Includes waste pallets, crates, dunnage, manufacturing and construction wood wastes; landscape or right-of-way tree trimmings; mill residues resulting directly from milling of lumber; rangeland maintenance residues; and sludge derived from organic sludge.

   ☐ Wood and wood wastes from forest timbering operations, including forest fuel fire reduction, and forest stand improvement.

   ☐ Wood and wood wastes that meet all of the following requirements (if a facility uses wood and wood wastes and the applicant seeks certification as SEP-eligible, the fuel must meet these criteria):

   1) Harvested pursuant to an approved timber harvest plan prepared in accordance with the Z'berg-Nejedly Forest Practice Act of 1973 (Ch. 8 (commencing with Sec. 4511), Pt. 2, Div. 4, Public Resources Code).
   2) Harvested for the purpose of forest fire fuel reduction or forest stand improvement.
   3) Do not transport or cause the transportation of species known to harbor insect or disease pests outside zones of infestation or current quarantine zones, as identified by the Department of Food and Agriculture or the Department of Forestry and Fire Protection, unless approved by those agencies.

   Facilities using these biomass fuels are eligible for the RPS, irrespective of the date they commenced commercial operations.

10. To be eligible for SEPs, an applicant for a "new" or "repowered" biomass facility must agree to use only eligible biomass fuel and to annually provide written attestations from its fuel supplier(s) documenting that the supplier(s) have delivered eligible biomass fuel to the facility. Applicant must also agree to provide documentation, or make documentation available upon request, to the Energy Commission verifying ongoing compliance with these requirements.

    ☐ Applicant acknowledges and agrees to comply with the above requirements as more fully described in the *Renewable Portfolio Standard Eligibility Guidebook*.

11. For biomass facility operators receiving SEPs only: You must submit an annual report to the Energy Commission describing fuel use as follows: tons of biomass by type of biomass, the air district from which the biomass originated if the fuel may have been open-field burned had it not been used for electricity production, and an attestation from the fuel supplier(s) that the biomass fuel continues to meet the RPS eligibility standards. The report is due to the Energy Commission on February 15th of each year to report on the biomass supply consumed in the previous calendar year.

    ☐ Applicant acknowledges and agrees to comply with the above requirements as more fully described in the *Renewable Portfolio Standard Eligibility Guidebook*.

For Geothermal Applicants

12. Date facility commenced/will commence commercial operations

*Choose **One***	☐ Prior to September 26, 1996 *Generation may be eligible for the RPS but only to establish or adjust a retail seller's baseline.*

	☐ Between September 26, 1996 and January 1, 2002 *Generation may be eligible for RPS but not for SEPs.*
	☐ On or after January 1, 2002 *Generation may be eligible for both RPS and SEPs.*

13. Are you applying for certification for incremental geothermal?

☐ Yes *(complete question 14)* ☐ No *(skip to Section VII)*

Incremental generation from geothermal facilities is eligible for the RPS but is limited to generation resulting from "eligible capital expenditures" as defined in the Renewables Portfolio Standard Eligibility Guidebook*. Incremental geothermal generation may be eligible for SEPs to the extent that the generation meets criteria for a "new" or "repowered" facility.*

14. Eligible capital expenditures

*Choose **all that apply***	☐ The capital expenditure results/will result in replaced generating equipment or increased steam converted to generation. ☐The capital expenditure does not/will not cause an increase in the decline rate of the reservoir. ☐The capital project was completed after September 26, 1996. *Only capital expenditures that meet all of the above criteria are considered "eligible."*

15. Please attach the documentation specified in the section titled "Supplemental Instructions for Incremental Geothermal Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook.*

For Hydropower Applicants

16. Facility size

☐ Applicant certifies that total facility size, including any incremental additions to original facility, does not/will not exceed 30 megawatts.

Only hydropower facilities 30 megawatts or less in size qualify for the RPS or RPS and SEPs.

17. Date facility commenced/will commence commercial operations (choose one)

☐ Facility commenced commercial operations prior to September 12, 2002 *(complete question 18)*

☐ Facility commenced/will commence commercial operations on/after Sept. 12, 2002 *(complete question 19)*

☐ Facility is "repowered" and re-entered/will re-enter commercial operation after September 12, 2002 *(complete questions 18-19)*

Generation may be eligible for RPS or RPS and SEPs

18. Was facility owned by, and/or its generation procured by, a retail seller as of September 12, 2002? ☐Yes ☐No

If yes, generation may be eligible only for purposes of establishing a retail seller's RPS baseline. Facility's generation may not be used for adjusting a retail seller's baseline or meeting a retail seller's annual procurement target.

19. "New" or "Repowered" Hydropower Facilities: please check all that apply:

Facility located within California	*Facility located outside California*
☐The applicant has a permit or license from the State Water Resources Control Board (SWRCB) to appropriate water, which was issued before September 12, 2002.	☐The applicant has a permit or license from the applicable governing body to appropriate water, which was issued before September 12, 2002.
☐The applicant can operate its proposed facility under its existing SWRCB permit or license. • *The facility does not require a new or revised permit from the SWRCB for a new appropriation of water.* • *The facility does not require a new permit or license from the SWRCB for a new diversion of water.* • *The facility will not require an increase in the volume or*	☐The applicant can operate its proposed project under its existing government-issued permit or license. • *The facility does not require a new permit or license from any government body for a new appropriation of water.* • *The facility does not require a new permit or*

rate of water diverted that would require a new permit or license from the SWRCB. ☐The facility does not/will not require an increase in the volume or rate of water diverted under an existing right, even if such a change would not require a water right permit or license from the SWRCB.	*license from any government body for a new diversion of water.* ☐The facility does not/will not require an increase in the volume or rate of water diverted under an existing right, even if such a change would not require a new permit or license from any government body.

20. Please attach the documentation specified in the section titled "Supplemental Instructions for Small Hydropower Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*

For Municipal Solid Waste Applicants

21. Type of MSW Facility

Choose ***One***	☐MSW combustion facility that meets the following criteria *(skip to Section VII)* *Generation is eligible for the RPS only if the facility is located in Stanislaus County and commenced commercial operations prior to September 26, 1996. Applicant must attach documentation to this application demonstrating that the facility meets both of these requirements. Generation from MSW combustion facilities is only eligible to establish or adjust a retail seller's RPS baseline.* ☐ MSW conversion facility *(answer questions 22-23)* *Facility uses or will use a non-combustion thermal process to convert MSW to a clean-burning fuel that is then used to generate electricity.*

22. MSW conversion facilities must meet **all** of the following criteria to be eligible for the RPS or RPS and SEPs. Please check all that apply:

☐ The technology does not/will not use air or oxygen in the conversion process, except ambient air to maintain temperature control.

☐ The technology does not/will not produce any discharges of air contaminants or emissions, including greenhouse gases as defined in Section 42801.1 of the Health and Safety Code.

☐ The technology does not/will not produce any discharges to surface or groundwaters of the state.

☐ The technology does not/will not produce any hazardous wastes.

☐ To the maximum extent feasible, the technology removes/will remove all recyclable materials and marketable green waste compostable materials from the solid waste stream before the conversion process and the owner or operator of the facility certifies that those materials will be recycled or composted.

☐ The facility at which the technology is used/will be used is in compliance with all applicable laws, regulations, and ordinances.

☐ The technology meets/will meet any other conditions established by the State Energy Resources Conservation and Development Commission.

☐ The facility certifies that any local agency sending solid waste to the facility diverted/will divert at least 30 percent of all solid waste it collects through solid waste reduction, recycling, and composting.

☐ The facility certifies that any local agency sending solid waste to the facility is/will be in compliance with Division 30 (Commencing with Section 4000), has reduced, recycled, or composted solid waste to the maximum extent feasible. (The California Integrated Waste Management Board must find that the facility has diverted at least 30 percent of all solid waste through source reduction, recycling, and composting.) Facilities must satisfy these criteria to be eligible for SEPs.

23. Please attach the documentation specified in the section entitled "Supplemental Instructions for Municipal Solid Waste Conversion Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*.

For Hybrid System Applicants	
24. Type of Hybrid System:	
*Choose **One***	☐Pumped Storage Hydropower *(identify energy source used for pumping)* _____ *Must use a renewable energy source to be eligible for RPS or RPS and SEPs;* ***only the amount of energy dispatched to the transmission system is eligible.***
	☐Other *(describe fuels used – attach additional sheets if necessary)* _____
25. For Hybrid Systems using fossil fuel (please select A **or** B)	
☐A. Facility commenced commercial operations or was repowered before January 1, 2002:	
*If you checked "A", choose **one***	☐ Applicant attests that the percentage of fossil fuel used in the facility does not/will not exceed 25 percent of the total annual energy input of the facility. *Facilities using fossil fuel that were operational or repowered prior to January 1, 2002 may use up to 25 percent fossil fuel and still have the total generation from their facility considered renewable and eligible for the RPS.* ☐ Percentage of fossil fuel used in the facility exceeds/will exceed 25 percent of the total annual energy input of the facility. *Only the renewable portion of electricity production may qualify for the RPS, and only once an appropriate tracking system is developed to monitor such production.* ☐ Facility was developed and awarded a power purchase contract as a result of a retail seller Interim RPS procurement solicitation approved by the California Public Utilities Commission, and applicant attests that the facility uses no more than 25 percent fossil fuel annually on a total energy input basis. *Facilities developed and awarded power purchase contracts as a result of a retail seller's Interim RPS procurement solicitation and approved by the CPUC may use up to 25 percent fossil fuel and count 100 percent of the electricity generated as RPS-eligible.*
☐B. Facility commenced/will commence commercial operation or was/is repowered on or AFTER January 1, 2002:	
*If you checked "B", choose **one***	☐ Facility is/will be certified as a Qualifying Small Power Production Facility (QF), and applicant attests that the facility satisfies the fossil fuel use limitations specified in PURPA. *Facilities certified as QFs under the federal Public Utilities Regulatory Policies Act may use up to 25 percent fossil fuel and count 100 percent of the electricity generated as RPS eligible provided the facility otherwise satisfies the applicable California RPS standards.* ☐ Facility is NOT certified as a Qualifying Small Power Production Facility but uses some percentage of fossil fuel. *Only the renewable portion of electricity production may qualify for the RPS, and only once an appropriate tracking system is developed to monitor such production.* ☐ Facility was developed and awarded a power purchase contract as a result of a retail seller's Interim RPS procurement solicitation approved by the California Public Utilities Commission, and applicant attests that the facility uses no more than 25 percent fossil fuel annually on a total energy input basis. *Facilities developed and awarded power purchase contracts as a result of a retail seller's Interim RPS procurement solicitation and approved by the CPUC may use up to 25 percent fossil fuel and count 100 percent of the electricity generated as RPS eligible.*

Section VII: Pre-Certification Repowered Facility Information

26. Is applicant requesting pre-certification for RPS and SEP eligibility for a repowered facility that re-entered or will re-enter commercial operations after January 1, 2002?

☐Yes. Answer questions 27 and 28. ☐No. Skip to Section VIII

27. Please indicate the method used to demonstrate compliance with the 80 percent threshold:

☐ Tax Records Methodology ☐ Replacement Value Methodology

Applicant must document the value of the capital investments made to the facility and the total value of the repowered facility, and the value of the capital investments must equal at least 80 percent of the total value of the repowered facility.

28. Generally describe the prime generating equipment replaced at the facility: _____

Please attach the documentation specified in the section titled "Supplemental Instructions for Repowered Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*.

The applicant must document that the facility's prime generating equipment is new. For a definition of each renewable resource's prime generating equipment, please see the Renewables Portfolio Standard Eligibility Guidebook*.*

Section VIII: Pre-Certification Out-of-State Facility Information

29. Is or will the facility's first point of interconnection to the WECC transmission system be located in California?

☐ Yes. Facility is considered an in-state facility for purposes of RPS and SEP eligibility. Skip to Section IX.

☐ No. Answer questions 30 – 34 UNLESS the facility is: 1) exclusively serving retail sellers subject to Public Utilities Code Section 399.17, or 2) is not yet on-line. If 1) or 2) applies, skip to Section IX.

☐ Other. Check here if the facility exclusively serves retail sellers subject to Public Utilities Code Section 399.17. Skip to Section IX.

30. Provide the facility NERC ID (Source point name) _____.

The NERC ID refers to the North American Electricity Reliability Council identification Source point name for this facility. The NERC ID is **required** to certify RPS eligibility of a facility that is located outside of California.

31. For RPS eligibility only, applicants for out-of-state facilities must submit documentation showing that the facility meets/will meet all of the following criteria (check all that apply):

☐ Facility has/will have guaranteed contracts to sell its generation to a retail seller or the California Independent System Operator (CA ISO).

☐ Facility can/will be able to demonstrate delivery of its generation to the in-state market hub/zone or in-state substation/node located within the CA ISO control area of the WECC transmission system (or located anywhere in California if applicable CPUC rules allow delivery outside CA ISO).

☐ Applicant agrees to participate in the Energy Commission's RPS tracking and verification system.

32. For SEP eligibility: Applicants for out-of-state facilities must submit documentation showing that their facility meets all of the following criteria (check all that apply, skip to question 33 if not seeking SEP eligibility).

☐ Facility is/will be located within the United States.

Facility may not cause or contribute to any violation of a California environmental quality standard or requirement.

☐ Facility is/will be located outside of the United States.

Facility must be developed and operated in a manner that is as protective of the environment as a similar facility located within California.

☐ Facility is/will be located so that it is/will be connected to the WECC transmission system.

☐ Facility is/will be developed with guaranteed contracts to sells its power to end use customers of California retail sellers during the period in which it will receive SEPs.

☐ Facility can/will demonstrate delivery of its generation to the in-state market hub/zone or in-state substation/node located within the CA ISO control area of the WECC transmission system (or located anywhere in California if applicable CPUC rules allow delivery outside CA ISO).

☐ Applicant agrees to participate in the Energy Commission's RPS tracking and verification system.

33. To be eligible solely for RPS or also for SEPs, an applicant for an out-of-state facility must agree to comply with the "Delivery Requirements" specified in the "Eligibility of Out-of-State Facilities" section of the *Renewables Portfolio Standard Eligibility Guidebook.*

☐ Applicant acknowledges and agrees to comply with the above requirements as more fully described in the *Renewables Portfolio Standard Eligibility Guidebook.*

34. Please attach the documentation specified in the section titled "Supplemental Instructions for Out-of-State Facilities" in the *Renewables Portfolio Standard Eligibility Guidebook*.

Section IX: Pre-Certification General Information

The Energy Commission reserves the right to request additional information to confirm or clarify information provided in this application including any attachments.

The Energy Commission's Accounting Office or its authorized agents, in conjunction with Energy Commission technical staff, may audit any applicant to verify the accuracy of any information included as part of an application for RPS or RPS and SEP pre-certification, pursuant to the *Overall Program Guidebook for the Renewable Energy Program*. As part of an audit, an applicant may be required to provide the Accounting Office or its authorized agents with any and all information and records necessary to verify the accuracy of any information included in the applicant's applications, invoices, or reports. An applicant may also be required to open its business records for on-site inspection and audit by the Accounting Office or its authorized agents for purposes of verifying the accuracy of any information included in the applicant's applications, invoices, and reports.

Pre-certified facilities must notify the Energy Commission promptly of any changes in information previously submitted to the Energy Commission. A facility failing to do so risks losing its pre-certification status. Any changes affecting the facility's pre-certification status should be reported on an amended CEC-RPS-1B form. If there are any changes to the status of a facility's pre-certification, the new information will be posted on the Energy Commission's Web site, and any affected retail seller contracting with that facility will be promptly notified.

Section X: Pre-Certification Signature

I am an authorized officer of the above-noted facility owner or a retail seller contracting with the above noted facility owner and hereby submit this application on behalf of said facility owner for pre-certification of the facility as a renewable facility eligible for California's RPS or pre-certification as eligible for California's RPS and SEPs. I have read the above information as well as the *Renewables Portfolio Standard Eligibility Guidebook,* the *Overall Program Guidebook for the Renewable Energy Program,* and the *New Renewable Facilities Program Guidebook* and understand the provisions of these guidebooks and my responsibilities. I acknowledge that the receipt of any pre-certification approval from the California Energy Commission is conditioned on the acceptance and satisfaction of all program requirements as set forth in the *Renewables Portfolio Standard Eligibility Guidebook* and the *Overall Program Guidebook for the Renewable Energy Program*. I declare under penalty of perjury that the information provided in this application and any attachments is true and correct to the best of my knowledge.

Applicant Name: _____

Applicant Title: _____

Signature: _____ Date signed: _____

REMINDER: HAVE YOU INCLUDED ALL NECESSARY ATTACHMENTS?

Supplemental Information is required for:
Biodiesel (New or Repowered)

Biomass (New or Repowered seeking SEP-eligibility)
Incremental Geothermal, Hydropower,
New or Repowered Municipal Solid Waste Conversion
Hybrids, Repowered Facilities, Out-of-State Facilities

FORM CEC-RPS-POU
Reports by Publicly Owned Utilities

The California Energy Commission requests this form by May 1 of the calendar year.

The form may be electronically sent to: RPSTrack@energy.state.ca.us
Please put "POU Report" in the subject line.

Alternately, send a paper copy to:

Bill Knox
Attention: POU Report
California Energy Commission
1516 9th Street, MS #45
Sacramento, CA 95814

PART I: Report on RPS Implementation

Publicly Owned Utility: _____

Calendar Year of Data Reported: _____

Date this form was prepared: _____

Contact Person:	Title:
Address:	Telephone:
City:	Alternate phone:
State:	Fax:
Zip Code:	E-mail:

1. Renewable Energy Programs

Please **attach the report** provided by the utility to its customers pursuant to Public Utilities Code Section 387 (b). The report should provide information on expenditures of public goods funds for eligible renewable resource development, including program descriptions, expenditures, and results.

2. Resource Mix – *do not report on this form*; *please report on either of the following*:

- **SB 1305 Annual Report Forms** available at: www.energy.ca.gov/sb1305/documents/

or

- **RPS Track Form**, available at:

www.energy.ca.gov/portfolio/documents/forms/CEC- RPS-TRACKFORM.XLS

3. Status Implementing a Renewables Portfolio Standard

a) What is the utility target goal for renewable energy, in MWh of generated electricity as a percentage of retail sales? _____%

b) What is the target year to achieve the goal? _____

c) How much renewable electricity did the utility procure or generate last year to serve its retail customers in compliance with its own renewable portfolio standard and goal?

_____MWh or _____GWh (use the units of your choice)

d) How much renewable electricity did the utilty procure or generate last year to serve its retail customers from facilities certified by the Energy Commission as RPS-eligible?

_____MWh or _____GWh (use the units of your choice)

e) What were the utilities retail sales during the last calendar year?

_____MWh or _____GWh (use the units of your choice)

f) What are the estimated projected retail sales for the target year?

_____MWh or _____GWh (use the units of your choice)

g) How much additional renewable generation per year has been contracted for but was not online during the last calendar year and is expected to be online to help meet the goal?

_____MWh or _____GWh (use the units of your choice)

PART II: Application for REC Certification

Note: The information requested in Part I must be provided if the publicly owned utility intends to request certification of RECs

1. Is the utility in compliance with Public Utilities Code Section 387 (see instructions to review the text of PUC §387)?

☐ YES ☐ No

2. Has the utility established an annual RPS target comparable to that of an electrical corporation?

☐ YES ☐ NO

3. Given the targets and electricity quantities reported in PART I, section 3 of this form, is the utility procuring sufficient eligible renewable energy resources to satisfy its target and include a surplus?

☐ YES ☐ NO

4. If the answer to question number 3, Part II, is YES, how much RPS-eligible energy above last year's target was delivered last year?

_____MWh or _____GWh (use the units of your choice)

5. Given the amount of RPS eligibile electricity expected to be delivered in the RPS target year (identified in Part I, question 3b), how much RPS-eligible energy will be delivered to the POU in the target year in excess of the POU target amount?

_____MWh or _____GWh (use the units of your choice)

6. List the facility name and CEC-certification number of all facilities delivering electricity to the utility for which the applicant seeks Energy Commission certification of the associated RECs. Also, identify the quantity of RECs the applicant seeks to certify per facility and the total for all facilities combined. The total for all facilities combined should not exceed the amount given in question 5, Part II.

Facility Name	**CEC-Certification Number**	**Quantity of RECs (MWh)**
TOTAL QUANTITY OF RECs:		

INSTRUCTIONS TO FORM CEC-RPS-POU

PART I: Report on RPS Implementation

1. Renewable Energy Programs. SB 1078 (Sher, Statutes of 2002) required each publicly owned utility to report annual to its customers expenditures of public goods charge funds for renewable energy resource development, including "a description of programs, expenditures, and expected or actual results." SB 107 expanded the report and required that it be provided to the Energy Commission. Each publicly owned utility should attach the required report.

2. Resource mix. The required annual report to has, since 2002, included: "the resource mix used to serve its customers by fuel type." This generation resource mix must be reported using separate categories for renewable energy resources defined by Public Utilities Code Section 399.12. The Energy Commission requests that each publicly owned utility provide this data through either of the two forms listed, because most publicly owned utilities report SB 1305 data on the applicable form. The SB 1305 report is required for all utilities that claim specific purchases and is due annually on March 1. The RPS-TRACK form is used by the Energy Commission to track RPS results of retail sellers, and is due annually on May 1.

3. Status in Implementing a RPS. Any publicly owned utility that intends to sell RECs to retail sellers in California must answer questions 3 (a) through 3 (g) in Part I as well as questions 1 through 5 of PART II. The Energy Commission requests that every publicly owned utility answer questions 3 (a) through 3 (g) in Part I in the format given. Providing the information in this format facilitates tracking of California's statewide progress in meeting renewable energy goals.

PART II: Application for REC Certification

1. A publicly owned utility seeking certification of tradable RECs associated with energy it procures or generates must provide the information in Parts I and II of this form.

2. Text of Public Utilities Code 387:

387(a) Each governing body of a local publicly owned electric utility, as defined in Section 9604, shall be responsible for implementing and enforcing a renewables portfolio standard that recognizes the intent of the Legislature to encourage renewable resources, while taking into consideration the effect of the standard on rates, reliability, and financial resources and the goal of environmental improvement.
(b) Each local publicly owned electric utility shall report, on an annual basis, to its customers and to the State Energy Resources Conservation and Development Commission, the following:
(1) Expenditures of public goods funds collected pursuant to Section 385 for eligible renewable energy resource development. Reports shall contain a description of programs, expenditures, and expected or actual results.

(2) The resource mix used to serve its customers by fuel type. Reports shall contain the contribution of each type of renewable energy resource with separate categories for those fuels that are eligible renewable energy resources as defined in Section 399.12, except that the electricity is delivered to the local publicly owned electric utility and not a retail seller. Electricity shall be reported as having been delivered to the local publicly owned electric utility from an eligible renewable energy resource when the electricity would qualify for compliance with the renewables portfolio standard if it were delivered to a retail seller.
(3) The utility's status in implementing a renewables portfolio standard pursuant to subdivision (a) and the utility's progress toward attaining the standard following implementation.

3. Electrical corporations must meet a target of 20 percent renewable energy by 2010.
4. Only electricity in excess of that required by a POU to meet its own RPS targets may be certified as RPS eligible for other retail sellers of electricity.
5. The quantity of certifiable tradable RECs that may count towards a retail seller's RPS goals are based on excess generation above the amount needed to satisfy a publicly owned utilities RPS target.
6. Please estimate this quantity. This is the maximum quantity of tradable RECs the Energy Commission would certify.
7. List the facility name and CEC-certification number of all facilities delivering electricity to the utility for which the applicant seeks Energy Commission certification of the associated RECs. Also, identify the quantity of RECs the applicant seeks to certify per facility and the total for all facilities combined. The total for all facilities combined should not exceed the amount given in question 5, Part II.

   Note that RECs will only be certified for generation from an RPS-certified facility that is also eligible to produce tradable RECs as described in "Eligibility of Tradable RECs." If the facility loses it RPS-certification status, any RECs produced will not be RPS-certified, effective upon the facility ineligibility.

Appendix B - Acronyms

APT	—	annual procurement target
CA ISO	—	California Independent System Operator
CCA	—	community choice aggregator
CIWMB	—	California Integrated Waste Management Board
CPUC	—	California Public Utilities Commission
DG	—	distributed generation
ESP	—	electric service provider
IOU	—	investor owned utility
kWh	—	kilowatt-hour
LFG	—	landfill gas
MSW	—	municipal solid waste
MW	—	megawatt
MWh	—	megawatt-hour
NERC	—	North American Electricity Reliability Council
NRFP	—	New Renewable Facilities Program
PGC	—	Public Goods Charge
PG&E	—	Pacific Gas and Electric Company
PV	—	photovoltaic
REC	—	Renewable Energy Credit/Certificate
REP	—	Renewable Energy Program
RPS	—	Renewable Portfolio Standard
SB	—	Senate Bill
SCE	—	Southern California Edison Company
SDG&E	—	San Diego Gas and Electric Company
SEP	—	supplemental energy payments
SWRCB	—	State Water Resources Control Board
WECC	—	Western Electricity Coordinating Council
WREGIS	—	Western Renewable Energy Generation Information System

Appendix C - Summary of RPS Reporting Requirements

Reporting Party	Reporting Requirement	Due Date
Facility	Certification/ Pre-certification, CEC-RPS-1A or CEC-RPS-1B	Anytime
Out-of-State Facility	Compliance documentation of the NERC tag requirement	May 1–, 2005, and annually thereafter
~~New or Repowered~~ Biomass Facility (or Biodiesel facility using biomass)	Annual attestation from fuel supplier(s) stating verifying ongoing compliance with fuel requirements	February 15, 2005, and annually thereafter
Facility or retail seller	Renewal of Certification/Pre-certification	Once every two years, due October 15. Facilities certified in 2004 must renew in January 2007. Facilities certified in 2005 must renew in January 2008 and so forth.
Facility or retail seller	Amendment of Certification/ Pre-certification ~~(form to be developed)~~	As needed
Facility or retail seller	retail seller monthly payment statement showing the amount of energy procured reported annually to the Energy Commission	May 1 , 2005, and annually thereafter until data are reported through WREGIS
retail seller	Report on Procurement, CEC-RPS-Track	~~June 15, 2004, and~~ May 1, 2005, and annually thereafter until data are reported through WREGIS
retail seller	Utility Certification for Pre-Existing Contracts, CEC-RPS-2	Anytime until contract expires or is voluntarily re-negotiated
Publicly owned utility	Annual report	Requested May 1, 2007 and annually thereafter